FACTORS CAUSING INADEQUACY LOAN MANAGEMENT IN SMALL MERCHANDISE ENTERPRISES IN TANZANIA: A CASE OF SELECTED WOMEN MERCANDISE IN NYAMAGANA DISTRICT MWANZA

By

Jackline Augustino

A dissertation Submitted in Partial Fulfillment of the Requirements for the Degree of Master of Business Administration (MBA) of Mzumbe University 2015
CERTIFICATION

We, the undersigned, certify that we have read and hereby recommend for the acceptance by Mzumbe University, a dissertation entitled **Factors For Inadequacy Loan Management in Women Merchandise Enterprises in Tanzania: A Case of Selected Women Entrepreneurs in Nyamagana District** in partial fulfillment of the requirements for the Masters Degree of Business Administration in Corporate Management of Mzumbe University.

……………………………

Major Supervisor

……………………………

Internal Examiner

…………………………

External Examiner

Accepted for the Board of School of Business

………………………………………………

SCHOOL DEAN
DECLARATION

AND

COPYRIGHT

I, Jackline Augustino, declare that the thesis is my own original work and that it has not been presented and will not be presented to any other university for a similar or any other degree award.

Signature ___________________________

Date________________________________

©

This dissertation is a copyright material protected under the Berne Convention, the Copyright Act 1999 and other international and national enactments, in that behalf, on intellectual property. It may not be reproduced by any means in full or in part, except for short extracts in fair dealings, for research or private study, critical scholarly review or discourse with an acknowledgement, without the written permission of Mzumbe University, on behalf of the author.
ACKNOWLEDGEMENT

This dissertation could not have been completed without the support of many people. I would like to thank those who have remarkably contributed to the completion of this study. Appreciations are dedicated to all who in one way or another assisted me. First and foremost I thank God, the Almighty for protecting me in my every action of life and in the course of accomplishing my master’s programme. A special thanks to my heartfelt gratitude family of Mr. and Mrs. ……………………for their understanding, support and encouragement during the whole period of my studies.

I would like to extend my grateful appreciation to Mr. Simon Kitilla, my advisor and supervisor, for his encouragement, support, and assistance throughout the entire process. Even though he was busy with other duties, yet, he filled me with positive energy to accomplish my dissertation. He was not only an advisor, but also a mentor and caring friend.

I am owed a lot of thanks to my beloved parents especially my mother, Ester Philipo for love, financial support and her encouragement all the time I was doing this task.

Great appreciations to my colleagues for the useful suggestions and hard experience we shared in data collection and analysis Still I thank all my friends and classmates for everything they assisted and supported throughout my studies. May the Almighty God grant protections in their lives.

My appreciation to the Mwanza women entrepreneurs, particularly those cooperated positively in data collection. Lastly, I extend my gratitude to all staff members of Mzumbe University mostly Jasper Mbaga and prof. Mzava for their kindness and professional guidance in all my administrative needs. Obviously without them, this academic venture would never come to the best end.
DEDICATION

I dedicate this work to my beloved parents, family, friends and relatives.
<table>
<thead>
<tr>
<th>Abbreviation</th>
<th>Full Form</th>
</tr>
</thead>
<tbody>
<tr>
<td>IFM</td>
<td>International Fund Monetary</td>
</tr>
<tr>
<td>ILO</td>
<td>International Labour Organisation</td>
</tr>
<tr>
<td>LIA</td>
<td>Labour Institutions Act</td>
</tr>
<tr>
<td>NEP</td>
<td>National Employment Policy</td>
</tr>
<tr>
<td>NESA</td>
<td>National Employment Services Act</td>
</tr>
<tr>
<td>NGO</td>
<td>Non Governmental Organisation</td>
</tr>
<tr>
<td>PLEC</td>
<td>Public Labour Exchange Centre</td>
</tr>
<tr>
<td>PRIDE</td>
<td>Promotion of Rural Initiative Development Enterprises</td>
</tr>
<tr>
<td>SELF</td>
<td>Small Entrepreneurs Loan Facility</td>
</tr>
<tr>
<td>SPSS</td>
<td>Statistical Program for Social Sciences</td>
</tr>
<tr>
<td>SSE</td>
<td>Small Scale Enterprises</td>
</tr>
<tr>
<td>UN</td>
<td>United Nations</td>
</tr>
<tr>
<td>URT</td>
<td>United Republic of Tanzania</td>
</tr>
<tr>
<td>VICOBA</td>
<td>Village Community Bank</td>
</tr>
<tr>
<td>WB</td>
<td>Wage Board</td>
</tr>
</tbody>
</table>
ABSTRACT

The aim of this study was to examine factors for inadequacy loan management in small merchandise enterprises, a case of selected women merchandise entrepreneurs in Nyamagana district Mwanza. The study examined the sharp decrease of loan management on women merchandise enterprises. This was pursued under the specific objectives that were to identify nature of loan provided, to identify ways used to manage loan and to determine the factors for inadequacy in loan management in small merchandise enterprises.

A descriptive study research design was used to quantitatively examine the relationships among variables. Women entrepreneurs from four microfinance institutions were selected to represent the entire population in Nyamagana district. The purposeful sampling technique and stratified sampling technique were used to select the 144 respondents from the particular formal microfinance institutions women clients that were the sample size required for the research study. In the study report both quantitative and qualitative methods were used to analyze data from the selected respondents. Data were coded and processed using the Statistical Package for Social Science at Mzumbe University in Morogoro.

The findings reveal that nature of loan provided, ways used to manage the loan, poor accounting system, higher interest rate, lack of management skills, lack of business experiences, mismanagement of resources and unforeseeable risks, poor decision making, weak business associations, poor planning in their business and lack of enough entrepreneurship knowledge are the factors that affect loan management in small merchandise enterprises. The findings also revealed that among challenges facing small merchandise enterprises are small loan amount provided, short grace period and short loan repayment time.

The study recommends that there was a need for the government to set a policy regulating the business environment so that entrepreneur will be able to obtain higher returns, provide an environment of lowering interest rates and softening conditions of
accessing finance from various sources of finance. In additional financial institutions should open more branches especially in remote and rural areas where the majority of the Tanzanian are found. By so doing, more needy Tanzanians will be given funds to establish businesses. This will create more job opportunities that provide incomes to individuals.
# TABLE OF CONTENTS

CERTIFICATION ............................................................................................................. i
DECLARATION ................................................................................................................ ii
COPYRIGHT .................................................................................................................. ii
ACKNOWLEDGEMENT ................................................................................................. iii
DEDICATION ................................................................................................................ iv
LIST OF ABBREVIATIONS AND ACRONYMS .............................................................. v
ABSTRACT .................................................................................................................... vi
TABLE OF CONTENTS .................................................................................................. viii
LIST OF FIGURES .......................................................................................................... xiii
LIST OF APPENDICES ................................................................................................... xiv

**CHAPTER ONE** .......................................................................................................... 1

1.1 Introduction ............................................................................................................. 1
1.2 Background to the Study ......................................................................................... 1
1.3 Statement of the Problem ....................................................................................... 2
1.4 Research Objective ................................................................................................. 4
1.4.1 Specific Objectives ............................................................................................. 4
1.5 Research Questions .................................................................................................. 4
1.6 Scope of the Study ................................................................................................... 4
1.7 Significance and Justification of the Study .............................................................. 5
1.8 Organization of the Research Report ...................................................................... 5

**CHAPTER TWO** ......................................................................................................... 7

LITERATURE REVIEW ................................................................................................ 7
2.1 Introduction ............................................................................................................. 7
2.2 Theoretical Literature Review ............................................................................... 7
RESEARCH METHODOLOGY .................................................................................. 30

3.1 Introduction ........................................................................................................ 30
3.2 Research Design ................................................................................................. 30
3.3 Geographical Area of the Study ......................................................................... 30
3.4 Target Population ............................................................................................... 31
3.5 Sample Size and Sampling Procedure ............................................................... 31
3.6 Sampling Techniques .......................................................................................... 31
3.7 Sources and Data Collection Methods ............................................................... 32
  3.7.1 Primary Data .................................................................................................. 33
  3.7.2 Secondary Data ............................................................................................. 33
3.8 Data Collection Methods .................................................................................... 33
  3.8.1 Questionnaires .............................................................................................. 34
  3.8.2 Interview ....................................................................................................... 34
  3.8.3 Documentary Review ..................................................................................... 35
3.9 Data Analysis ...................................................................................................... 35
  2.9.1 Quantitative Data Analysis .......................................................................... 36
3.10 Reliability and Validity of Research Design .................................................... 36
  3.10.1 Validity ......................................................................................................... 36
  3.10.2 Reliability .................................................................................................... 37
3.11 Ethical Considerations ....................................................................................... 37
  3.11.1 Informed Consent ......................................................................................... 37
  3.11.2 Confidentiality and Anonymity .................................................................. 37
  3.11.3 Plagiarism and Fraud .................................................................................. 38

CHAPTER FOUR ..................................................................................................... 39
FINDINGS, ANALYSIS AND DISCUSSION ................................................................. 39
  4.1 Introduction ....................................................................................................... 39
LIST OF TABLES

Table 4.1: Age of Respondents ................................................................. 39
Table 4.2: Number of years in Business ...................................................... 40
Table 4.3: Nature of Loan Provided............................................................ 41
Table 4.4: Access to Loan ....................................................................... 42
Table 4.5: Name of Financial Institutions that Provide Loans...................... 43
Table 4.6: Good Finance Record Keeping ..................................................... 44
Table 4.7: Capital Structure Model System .................................................. 45
Table 4.8: Good Management of Debtors .................................................... 46
Table 4.9: Poor Accounting System............................................................ 47
Table 4.10 Higher Interest Rate .................................................................. 48
Table 4.11: Lack of Management Skills ....................................................... 49
Table 4.12: Lack of Business Experiences ................................................... 50
Table 4.13: Mismanagement of Resources .................................................. 51
Table 4.14: Unforeseeable Risks................................................................. 52
LIST OF FIGURES

Figure 2.1: Conceptual Frameworks for the Study………………………………………………30
LIST OF APPENDICES

APPENDIX ONE: Research Questionnaires.........................................................67

APPENDIX TWO: Research Budget........................................................................71

APPENDIX THREE: Duration and Schedule of Activities....................................72
CHAPTER ONE

BACKGROUND INFORMATION

1.1 Introduction
This chapter provides the background to the study, statement of research problem, significance and justification the for research. It also presents the research objectives, research questions, scope and delimitations of the study.

1.2 Background to the Study
Small scale enterprises have been accepted worldwide as instrument of economic growth and development; (Osotimehin & Jegede, 2012). Most of countries have been using small enterprises as catalyst in the socio economic development in term of wealth creation, development of innovation, enhancement of apprenticeship training and employment generation at low investment cost; (Uzor, 2004). Small enterprises are a veritable vehicle for the achievement of national macroeconomic objective; (Hauser, 2005). Data affirms that, small enterprises in advanced economies and developing countries contribute to an average of 60 percent of total formal employment; (Ayyagari et al, 2007). For example African economies, the contribution of small enterprises sector to job opportunities is even more important.

Developing countries have made tremendous efforts and establish policies to enhance the capacity of small scale enterprises. However, despite government institutional and policies support to enhancing the capacity of small enterprises there still many factors which encounter small enterprises and as a result, many firms perform dismally and fail to grow. Inadequacy of loan management is one of the factors for mortality rate of small enterprises within the first two years in developing countries which has been currently noted to be the serious problem. Because of these factors banks prefer to lend to governments, which offer less risk and higher returns, crowding out most of the private sector from the financial system; (Schiffer and Weder, 2001).
The problem related to finance includes lack of information on where to source for finance, restrictive lending offered by commercial banks, lack of access to finance, insufficient financing, lack of track record required by the banks, limited access to collateral, and the fact that financial institutions lack appropriate structure (Ibid).

Kazooba, (2006) considers loan management in small enterprises as a primary concern for the policy makers, financial institutions, banks, non-bank credit providers, managers and owners of small enterprises because it has a direct impact on the success, creditworthiness and growth of enterprises. Efficient loan management determines the cash flow and the success of the day-to-day operations of the business. Kazooba, (2006) indicates that poor and inadequacy loan management leads to late payment to creditors and other stakeholders in the supply chain. Thus credit management needs to ensure ample monitoring of cash flow as well as collection strategies from debtors. Loan management requires skills that enable business goals to be accomplished through the functions of planning, staffing, directing, controlling activities, coordination and directing.

Kazooba, (2006) argues that, in Tanzania, women have increasingly been involved in small merchandise enterprises either as employees or as owners because of lack of employment opportunities. The study of inadequacy on loan management in small merchandise enterprises is an area of growing research interest and it is more critical to women since there are good number of them engaged in this sector. It is also likely that achievements that are attained by women are more likely to spread out upon families and the whole community. As the saying goes “when you educate a woman you have educated the whole family while educating a man is educating one person only. Therefore, this study focused to examine factors causing inadequacy loan management on small merchandise enterprises a case of selected women merchandise at Nyamagana district in Mwanza.

1.3 Statement of the Problem
In Tanzania small merchandise enterprises have increased due to the lack of formal employment opportunities. Most individuals have turned their focus into business activities in
order to cater for their different needs; this has enabled more people to select business activities according to their preferences and location; (Mba and Cletus, 2014).

Small merchandise enterprises in Tanzania have experienced a growing competition among business entrepreneurs due to the deployment of marketing strategies and techniques to attract more customers. Due to competitive pressure, small merchandise enterprises are trying their level best to find sources of fund in order to handle their business liabilities and for expansion purposes; (World Bank, 2010).

Among of the sources of fund for these enterprises is the application of loan from different financial institutions like banks and from individual people. However, loan management is a serious problem among small enterprises and is now. Furthermore, financial institutions have applied different strategies and techniques to help small enterprises in managing loan for the purpose of ensuring effective loan repayment but this is not yet completely the solution for achieving more loan repayment especially from women entrepreneurs when a good number of them are engaging in this sector. Adequacy of loan management in small business performance can be achieved by applying different business skills for example, managerial skills, administrative skills as well as technical skills; (Fabayo, 1989).

Several studies relate to factors for inadequacy loan management in small enterprises’ performance, For example, in Nigeria; (Aremu, 2004), South Africa; (Fatoki & Garwe 2010), Korea; (Kang & Choi, 2005), New York (Rajesh & Deshmukh, 2008), Atlanta (Berger & Frame, 2005). Kenya (Kombo et al (2011), India; (Fabayo, 2001). These studies indicated that factors for inadequacy loan management for small merchandise enterprises includes; inexperience in the field of business, lack of strategic planning, lack of technical knowledge, lack of managerial skills and trained manpower inadequate planning. In additional failure to do market research, poor record keeping, business location and size of loan.

In Tanzania, loan management can be influenced by business geographical location, level of economy and technological level. Therefore, factors for inadequacy loan management of small merchandise performance in one country may differ from other countries. Moreover, no study has been conducted in Tanzania about factors for inadequacy loan management in small enterprises. Therefore, this study bridges the knowledge gap by examining factors for
inadequacy loan management in small merchandise enterprises a case of selected women merchandise in Nyamagana district, Mwanza city.

1.4 Research Objective
The study included general objective and specific objectives in order to solve the issue of inadequacy loan management on small merchandise enterprises performance in Tanzania.

1.4.1 Specific Objectives
The study intends to achieve the general objective by using the following specific research objectives;
(i) To identify nature of loan provided to small merchandise enterprises in Nyamangana district.
(ii) To identify ways used to manage loan on small merchandise enterprises in Nyamangana district.
(iii) To determine the factors for inadequacy on loan management in small merchandise enterprises.

1.5 Research Questions
The study was guided by the following research questions;
(i) What is the nature of loan provided to small merchandise enterprises in Nyamagana district?
(ii) Which ways are used to manage loan to small merchandise enterprises in Nyamangana district?
(iii) What are the factors for inadequacy on loan management in small merchandise enterprises in Nyamagana district?

1.6 Scope of the Study
The study examined the factors for inadequacy loan management in small merchandise enterprises for selected women merchandise entrepreneurs in Nyamagana district, Mwanza. The study was confined to women merchandise entrepreneurs in the financial year (2014/2015). In a specific manner the study identified the nature of loan provisions to small merchandise enterprises in Nyamangana district. Thereon after, identified ways used to manage loan on small merchandise enterprises in Nyamagana district. Furthermore,
determined the factors for inadequacy loan management on small merchandise enterprises. Therefore, all findings were limited within this period.

1.7 Significance and Justification of the Study
Small enterprises and particularly women entrepreneurs are accepted as instrument of economic growth and development in developing countries. In Tanzania small enterprises is an area of growing research interest and it is more to women entrepreneurs because they constitute a large number in this sector. This study provides useful information about factors for inadequacy loan management in small merchandise enterprises to both students (research scholars) and small entrepreneurs for better future decision making.

(i) The study will add literature to the existing body of knowledge that will help other researchers to use it in their research projects as part of their literature review and also the study suggests other areas for further research to allow scholars on areas to be studied.

(ii) Moreover, the findings of the study will provide small merchandise enterprises with a better view of the important factors for inadequacy loan management, hence small enterprises can gain a better understanding about loan management.

(iii) This study is expected to shed light into the issue of inadequacy loan management on women merchandise entrepreneurs in Tanzania.

(iv) The research assists to influence women as a way forward for improving loan management.

(v) Besides, the research findings bridges the gap of knowledge on the inadequacy loan management on women merchandise enterprises in Tanzania.

(vi) In addition the findings contributes to scientific world for more investigation and utilization to the well being of any loan management on women.

1.8 Organization of the Research Report
The research consists of five chapters as analysed in this paragraph. The first chapter concerns with the introduction and the background of the problem. The second chapter presents the relevant literature review about what the researchers explains the study problem. The third chapter discusses about the methodology used for the study proposal. The fourth chapter analyzes empirical findings after the field study. The final chapter five analyses
poverty reduction as well as policy implications in improving the impact of microfinance efficiency in Tanzania. Then, the future research was anticipated.
CHAPTER TWO

LITERATURE REVIEW

2.1 Introduction
The chapters enriched the researcher with what other researcher’s investigations and have written about the problem. It therefore, states the link between the factors for inadequacy loan management in women merchandise enterprises. Besides, it introduces certain terms, clarifies concepts and gives operational definitions for the constructs used in the study. In this regard, the research includes the theoretical review part and guidance theory. The chapters also discusses empirical studies in relation to challenges of inadequate in loan management of small enterprises, the research gap and end up with conceptual frame work.

2.2 Theoretical Literature Review
Since the aim of this study is to explore factors for inadequacy loan management in women merchandise enterprises in relation to the challenges they face the chosen guide for this study were the planned behaviour theory and credit risk theory. In addition the part clarifies the concept of loan management, issues related to loan management for women, history of loan management and end up with the chosen theory for the study.

2.2.1 Definition of Key Terms
At this point it was necessary to define certain constructs used in the study. This section form part of conceptual foundation for the study. This section clarifies concepts and gives operational meaning for constructs which used in the study. It helps to be clearly understood in the research discussion. Therefore, the meaning of various terms were explained.

2.2.1.1 The Concept of Loan Management
The concept of loan management is very wide in relation to microfinance institutions and women merchandise entrepreneurs. According to Christopher, (2014) effective management of the loan portfolio and the credit function is fundamental to a bank’s safety and soundness. Loan management is the process by which risks that are inherent in the credit process are
managed and controlled. Because review of the loan management process is so important, it is a primary supervisory activity.

Assessing loan management involves evaluating the steps bank management takes to identify and control risk throughout the credit process. The assessment focuses on what management does to identify issues before they become problems. Effective loan portfolio management begins with oversight of the risk in individual loans. Therefore, the historical emphasis on controlling the quality of individual loan approvals and managing the performance of loans continues to be essential. But better technology and information systems have opened the door to better management methods; (Ibid).

Loan management components enables one to manage simply structured loans such as consumer loans, such as mortgage loan. For mortgage loans management offers functions for mapping the complete loan process for loan given and loans taken from entering data on a potential contract right through to contract disbursement and the data transfer to financial accounting; (Diagne et al., 2001). It incorporates complex collateral management functions, support for decision making and a range of options for tailoring a contract. For consumer loans it uses the functions to manage the complete loan process for loans given from entering data for a new contracts making offers and concluding contracts right through to contract disbursement and the transfer of data to financial accounting. For installment loans functions are available with which one create and manage the complete life cycle of loans given up to the transfer to financial accounting; (Ibid). All the main forms of loans can be represented. Loans management supports all common loans forms to the high degree of flexibility offered for setting up conditions, flows, collateral and loan partners; (Ibid).

The loan management system provides comprehensive financing & accounting management according to the following main features: repayment management, rescheduling & restructuring facilities, interaction with central credit; (Johnson, 2004). The financial management review of the Small Entrepreneurs Loan Facility (SELF) covered the evaluation of the adequacy and suitability of: the budgeting processes; staffing arrangements; funds flow arrangements; the accounting procedures; reporting and monitoring; internal control procedures and external audit arrangements. The self enterprises prepares quarterly budgets of expected activities; (Kaboski and Townsend, 2005).
However, the product types of loan management may be categorised into various forms of loans. In relation to Karlan and Goldberg (2007) the categories available may represent these product loan types as; mortgage loans, borrowers note loans, policy loans, general loan, consumer loans and installment loans depending on the micro institution requirements. Loan transactions into product type can define a specific forms of loan or business areas. One can define the product type for loan management according to individual requirements and assigning each product type to a product category and condition group.

2.2.1.2 Women as Entrepreneurs

Women’s entry into business in Tanzania is a recent phenomenon; mainly a result of the economic crises and restructuring programmers which have led to a drastic decline in real wages as well as formal employment opportunities; (Rutashobya, 1995; Tripp, 1994; Kombe, 1994). Increased participation of women in the small enterprises sector has not only improved their access to independent cash income and their control over economic resources, but also posed socio-cultural challenges. For example now women are increasingly contributing to meeting household economic needs, a role that was traditionally left to men in many societies.

However, women’s involvement in business can also represent an additional responsibility on top of the multiple roles that they have traditionally played in society; (Koda, 1995; Mbughuni, 1994). Probably as a result of the recent nature of women’s involvement in business, much of the research that has been carried out before was aimed at providing general descriptions of women in the sector, along with a cross-section of the barriers that they face. Indeed, one of the limitations of the existing literature on entrepreneurship in Africa, and in Tanzania in particular, is its treatment of women entrepreneurs as a homogeneous group; (Rutashobya and Nchimbi, 1999).

Tanzania's women entrepreneurs face many obstacles including inadequacy in loan management, access to finance simply because most of women do not have their own sources of funds, instead they depend on financial institutions for loans. They are supposed to provide
collateral, but due to social and cultural norms and values of African societies including women not being allowed to own land or not being allowed to be employed. Most of the time women fail to provide collateral since they own their own cash. So, this becomes a big challenge in accessing finance. Due to this fact female entrepreneurs use relatively low level of capital in starting their firms. On the other side if they get loan, they fail to manage loan repayments due to the reason that women use loan fund for household activities. Moreover, Rutashobya and Nchimbi (1999) advance that high percentage of female entrepreneurs start their firm with their own savings or support from family and friends. Even when they are doing business, they lack the skills; they lack the necessary technologies including pricing strategies, promotion strategies and distribution strategies. And in this competitive world, if one lacks those strategies, one is lacking a very big component in a business.

2.2.2 Issues related to Loan Management in Women Merchandise Enterprises

The study categorised issues related to loan management and women merchandise entrepreneurs into financial services, small enterprises, factors for inadequate loan management and the way microfinance institutions improve the status of women in Tanzania.

2.2.2.1 Financial Services and Small Enterprises

According to pecking order theory the firms prioritize their sources of funding starting from internal finance, debt and then equity. That is to say there is a tendency of the firms to go to loan option after they have exploited own internal savings or have none. Myers and Majluf (1984) argued that this is due to the fact that there exists information asymmetry between managers of the enterprises (insiders) and investors (outsiders). Studies (World Bank, 2000; ILO, 2001) have shown that many small enterprises lack access to finance for starting, operating and expanding their businesses. The estimated demand for MSE credit in Tanzania is 2.5 million borrowers, compared to about 50,000 borrowers being served currently; (SIDO, 2002).

The largest demand for credit is in the range of Tshs 50,000 to 500,000. Small and short-term loans (typically rising in stages 19 from Tshs 50,000 to 500,000 per MSE recipient or loan group, with a repayment period of 6-12 months) are available from several MFIs, of which
PRIDE, MEDA and Poverty Africa are the most prominent and widespread. The main beneficiaries are micro enterprises primarily in trade, food vending and agriculture. Loans attract an interest rate of between 25 and 40 per cent per annum, which is above the commercial lending rate (20-25 per cent). These rates would be a disincentive to long-term borrowing even if this was available; (BOT, 2005). Pretes (2002); Sonfield and Barbato (1999) have indicated that these high interest rates are camouflaged by short repayment periods. These authors also argue that problems which hinder access to credit by MSEs can be categorized into attributable to the suppliers, most of the time associated with terms and conditions of loans, attributable to MSE operators mainly based on the entrepreneur capabilities and those attributable to the environment. For example, issues of market and infrastructure.

2.2.2.2 Factors for Inadequate Loan Management
The factors for inadequate loan management was categorised into management problems, inadequate basic infrastructures, social cultural problems, strategic planning problems, economic or location problems, poor accounting systems, multiple taxation problems, and unstable policy environment.

2.2.2.2.1 Management Problems
Osamwonyi, (2005) indicated that many small enterprises’ owner lack managerial training and experience. The typical owner or managers of small businesses develop their own approach to management, through a process of trial and error. As a result, their management style is likely to be more intuitive than analytical, more concerned with day-to-day operations than long-term issues, and more opportunistic than strategic in its concept. In addition, Rogers (2001) also added that inefficiency in overall business management and poor record keeping is also a major feature of most SMEs; technical problems/competence and lack of essential and required expertise in production, procurement, maintenance, marketing and finances have always led to funds mis application, wrong and costly decision making.

2.2.2.2.2 Inadequate Basic Infrastructure
Government has not done enough to create the best conducive environment for the striving of SMEs, the problem of infrastructures ranges from shortage of water supply, inadequate transport systems, lack of electricity to improper solid waste management.
Nigeria’s underdeveloped physical and social infrastructures create a binding constraint to SMEs growth, since; they heavily rely on the inefficiently provided state infrastructures and cannot afford the cost of developing alternatives (Irwin, 1991).

2.2.2.2.3 Socio-Cultural Problems
Most of Entrepreneurs do not have the investment culture of sloughing back profits. Bala (2002). The study further stressed that the attitude of a typical entrepreneur is to invest today and reap tomorrow. Also, the socio-political ambitions of some entrepreneurs may lead to the diversion of valuable funds and energy from business to social waste. Fatoki & Garwe, (2010).

2.2.2.2.4 Strategic Planning Problems:
SMEs often do not carry out proper strategic planning in their operations. Ojiako, (2000) stated that one problem of SMEs is lack of strategic planning and sound planning which are necessary input to a sound decision making.

2.2.2.2.5 Location/Economic Problems
Market stores are dominated by absentee land lords who charge exorbitant rates. The ownership of market stores by politicians is crowding real small-scale operators out of the market. The high rents charged by store owners on good locations have forced real small-scale operators; (Gates & Leuschner, 2007). Also, domestic economic problems of deregulation and removal of protection as well as the global financial crisis have been detrimental to SMEs.

2.2.2.2.6 Poor Accounting System
The accounting system of most SMEs lack standards hence, no proper assessment of their performances. This creates opportunity for mismanagement and eventually leads to the downfall of the establishment; (Ericson and Pakes, 1995).

2.2.2.2.7 Multiple Taxation
This has become a major problem especially given the role of tax consultants and agents hired by local governments.
They are often crude in their operation, excessive in their assessment and destructive in their relationship with the production process. They tax everything in their bid to generate revenue without considering the net effect to household incomes and employment.

**2.2.2.8 Unstable Environment**

Instability in government policies have caused some SMEs to fail in handling their loan repayments. The present high mortality rate of SMEs in developing countries is the entire economic system where private financial institution have given power to charge interest according to their focus and policy of shareholders. The business owner should always consider challenging situations and be prepared to meet them with preplanned strategies.

**2.2.2.3 Microfinance Institutions in Improving the Status of Women in Tanzania**

Tanzania got its independence in 1961. Soon after independence Tanzania declared war against three development enemies namely ignorance, diseases and poverty, but there were no specific action against poverty. In Tanzania poverty is caused by many factors such as drought, unemployment, underemployment, low level of production, poor technology and gender bias, division of labour, diseases, large household size, unequal exchange in international trade, problems of refugees, debts burden, dependence on foreign aids, poor policies and introduction of new policies.

World bank (2000) argued that dependence on natural rain water causes poor harvest, which result in food and income shortages which would in turn have helped them to afford other social services such as education, housing and health services. Microfinance is a system that allows people in poor countries to borrow small amount of money to help them start a small business. It is the provision of financial services to those who are excluded from conventional commercial financial services since most are too poor to offer much - or anything - in the way of collateral. Poor people have few assets that can be secured by a bank as collateral; (Olomi, 1999).

Traditionally women are undermined, they are not given chance to own means of production such as land and other assets. Microfinance institutions (MFI) are organizations that provide microfinance services from small non-profit organizations to large commercial banks.
The nature of commercial banks is that interest rates need to be high to return the cost of the loan. Most commercial banks provide loans on collateral basis. Poor people cannot get those loans since they have few assets to be secured by banks which would have helped them to engage in economic activities as a means of poverty alleviation. Microfinance both credit and savings has potential in improving the wellbeing of the poor in developing countries; (Mkasimongwa, 1997).

Currently the availability of suitable microfinance institutions (MFIs) in Tanzania, which are capable of serving households, small farmers, small and micro enterprises in rural as well as in urban area, is limited. For the vast majority of Tanzanians whose incomes are low, access to financial services would offer the possibility in managing scarce household and enterprise resources more efficiently, protect against risks, provision for the future, and taking advantages for investment opportunities for economic returns and hence poverty reduction. This is only possible through establishment of well-designed and sustainable microfinance activities in the country. PRIDE TANZANIA, FINCA, BRAC and VICOBAs are among the microfinance institution involved in the provision of credit to the low income earners in Tanzania; (ILO, 2002).

Microfinance both credit and savings has potential to improve the well-being of the poor in developing countries. Micro financing is a provision of small loans to small entrepreneur who lack the credentials and collateral demanded by banks. These small loans are normally provided by microfinance institutions (MFIs). They provide financial service which include; saving, credit and insurance. Apart from financial services some MFIs provides social services such as group formation and training on investment skills and group management; (Salay, 2006). It is from this context that the study wanted to know to what extent micro finance institutions operations in Tanzania through loans provision improve the economic status of women by selecting microfinance institutions in Nyamagana district as a case of study.

**2.2.3 History of Women Merchandise Enterprises in Tanzania**

Women’s entry into business in Tanzania is a recent phenomenon; mainly a result of the economic crises and restructuring programmes which have led to a drastic decline in real
wages as well as formal employment opportunities; (Rutashobya, 1995; Tripp, 1994; Kombe, 1994). Increased participation of women in the MSE sector has not only improved their access to independent cash income and their control over economic resources, but also posed socio-cultural challenges. For example now women are increasingly contributing to meeting household economic needs, a role that was traditionally left to men in many societies. However, women’s involvement in business can also represent an additional responsibility on top of the multiple roles that they have traditionally played in society; (Massawe, 2000).

Probably as a result of the recent nature of women’s involvement in business, much of the research that has been carried out before was aimed at providing general descriptions of women in the sector, along with a cross-section of the barriers that they face. Indeed, one of the limitations of the existing literature on entrepreneurship in Africa, and in Tanzania in particular, is its treatment of women entrepreneurs as a homogeneous group; (Rutashobya and Nchimbi, 1998). Tanzania's women entrepreneurs face many obstacles including access to finance simply because women do not own property. They are supposed to provide collateral, due to social, cultural norms and values of African societies.

Women are not allowed to own land or to be employed and earn their own cash. Most of the time women fail to provide collateral. So, this becomes a big challenge in accessing finance. Due to this fact female entrepreneurs use relatively low level of capital in starting their firms. Rutashobya and Nchimbi (1998) advance that high percentages of female entrepreneurs start their firm with their own savings or support from family and friends. Even when they are doing business, they lack the skills, they lack the necessary technologies including pricing strategies, promotion strategies and distribution strategies. And in this competitive world, if one lacks those strategies, one is lacking a very big component in a business.

The concern on the plight of women in Tanzania has led to the formulation of development policies designed to ensure equity and full participation of women in society; (MCDWAC, 1992). For example, educational policies in Tanzania emphasize equality between the two genders and provide preferential treatment in access to education for girls and women students. Even some donors have also shown concern on the education gap between the two
genders. The Canadian International Development Agency (CEDA), for example, had a fund known as Training Fund for Tanzania Women (TFTW) which aimed at enhancing women's technical and managerial skills; (Shirima, 1995). Such policies aim at giving priority to raising the social and economic status of women, including, protecting and enhancing women's income earning capacity. Other credit schemes for low income women in Tanzania include the Presidential Trust Fund (PTF) which operates as an NGO, micro financial institutions, and the Women Development Fund (WDF).

Other financial services - credit and savings - have also played a crucial role in this undertaking. Providing appropriate financial services to low income entrepreneurs is important because such an intervention may well be the single most effective means to tackle poverty and create broad-based economic growth; (Dondo, op. cit). This is because financial services give poor people the means to increase their assets, income, living standards and their roles in shaping society. But the big question is how one avails appropriate financial services to poor owners of merchandise enterprises? The dominant approach of the 1970s and 1980s involved the supply of an integrated package of credit and training with the goal of enterprise development; (Rliyne and Otero, 1997).

However, it was found that this approach had limited impact on beneficiaries; it was costly and could only be sustained or expanded with continued grant funding; (Dondo, op.cit). This limited impact on beneficiaries is partly caused by the clients' perception of such programmes as welfare service and their failure to develop a serious financial relationship with the institution. Often credit under this approach did not even reach the poor. Experience of the 1970s and 1980s in promoting of low income people show that a financial systems approach is the most effective way of giving poor entrepreneurs access to financial services. The principles of this approach require the micro financing institution to break even or turn a profit; (Rhyne and Otero, op.cit).

The financial systems approach focuses on measures of increased access to financial services. Such measures revolve around the ability of credit programmes and institutions to streamline their activities so that the costs of lending are commensurate with the small loan needs of clients.
The current view is that microenterprise programmes supported by governments and donors should move toward viability without leaving out the very poor in that process. This shift should be possible because evidence over the last ten years has shown that the poor are bankable. Micro financial services can be provided to large numbers of poor people in self-sustainable way partly because of the following reasons. First, there is evidence that microenterprise borrowers are far more sensitive to the availability, and convenience of credit than to the interest rate; (Rhyne and Otero, op.cit). Second, interest rates charged are low compared with typical formal system rates. Third, when a poor person knows that all future access to credit is contingent on meeting monthly repayment deadlines, she/he is more likely to repay in time.

2.2.4 The Application of Planned Behaviour Theory and Credit Risk Theory
The study was guided by the application of two theories which were Planned Behaviour Theory and Credit Risk Theory. The findings of the study were matched and related with the application of these theories in order to rely on scientific bases.

2.2.4.1 The Application of Planned Behaviour Theory
According to the theory of planned behaviour (TPB), human action is guided by three main kinds of considerations; these are behavioural beliefs, normative beliefs and control beliefs. Behavioural beliefs are beliefs about the likely results of the behaviour and evaluations of them, while normative beliefs are the beliefs about the normative expectations of other people and motivation to comply with them, and control beliefs are beliefs about the existence of factors that may affect the performance of the behaviour; (Ajzen, 2002). The behavioural beliefs create a favorable or unfavorable attitude towards the behaviour, normative beliefs give rise to subjective norms, while a rise on perceived behavioural control is always a result of control beliefs in relation to loan management; (Ajzen, 2002).

The attitude towards the subjective norms and perceived behavioural control leads to the formation of a certain behavioural intention on matters concerning loan management on women merchandise entrepreneurs. The uttermost important contribution of the planned
behavioural model is that despite there is not absolute relationship between behavioural intention and actual behaviour, but still intention can be employed to measure the behaviour of a person in the theory of planned behaviour relatively; (Francis et al., 2004). The theory of the planned behaviour is used to determine factors influencing effective loan management behaviour. According to the theory of planned behaviour, human action is guided by three factors. These include behavioural beliefs, normative beliefs and control beliefs which are considered as borrowers’ behaviour; (Ajzen, 2002).

The study identified the relationship between the theory of planned behaviour on one hand and borrowers’ behaviour on the other so as to show clearly the specific factors that influence the whole process of loan management by the loan borrowers to women merchandise entrepreneurs performance. Basically, the loan management process is the function of borrowers’ behaviour, business characteristics, financial institutions’ characteristics and policy and regulatory issues. The study is intended to analyze the factors influencing effective loan management by loaners. The borrowers’ behaviour, business characteristics, financial institutions’ characteristics and policy and regulatory issues are believed to influence the whole loan management process. For the borrowers to effect the financial institutions’ loans, there must be a conducive and predictable business environment in terms of profit generated, less business risks, business training given to the loan borrowers, competitive and reasonable interest rates charged by the financial institutions, well regulated taxes, and a fair grace period and constant power supply; (Kuzirwa, 2002).

In practice, therefore, these factors have to be considered adequately so as to stimulate and ensure loan repayment behaviour. This is because; accessibility to loans by the borrowers can be determined by effective borrowers’ behaviour, financial institutions’ characteristics, business characteristics, policies and regulations. Borrower’s behaviour can be determined in terms of age, marital status, gender, profit margin, business location, household size, moral hazard, nature of business, power rationing, and economic stability. In most cases, financial institutions use these factors to determine the amount of loan to be disbursed to the borrower.
2.2.4.1 The Application of Credit Risk Theory

Although people have been facing credit risk ever since early ages, credit risk has not been widely studied until recent 30 years. Early literature (before 1974) on credit uses traditional actuarial methods of credit risk, whose major difficulty lies in their complete dependence on historical data. Up to now, there are three quantitative approaches of analyzing credit risk: structural approach, reduced form appraisal and incomplete information approach; (crosbie et al, 2003). Melton 1974 introduced the credit risk theory otherwise called the structural theory which is said the default event derives from a firm’s asset evolution modeled by a diffusion process with constant parameters. Such models are commonly defined structural model and based on variables related a specific issuer. An evolution of this category is represented by asset of models where the loss conditional on default is exogenously specific. In these models, the default can happen throughout all the life of a corporate bond and not only in maturity; (Longstaff and Schwartz.1995).

2.2.4.1.1 Loan Management Portfolio

Loan portfolio constitutes loans that have been made or bought and are being held for repayment. Loan portfolios are the major asset of Saccos and the lending institution. The value of the loan portfolio depends not only on the interest rates earned on loans but also on the likelihood that interest and principal will be paid; (Jasson, 2002). Lending is the principal business activity for most commercial banks, the loan portfolio is typically the largest asset and the predominate source of revenue. As such, it is one of the greatest sources of risk to a financial institution’s safety and soundness. Whether due to lax credit standards, poor portfolio risk management, or weakness in the economy, loan portfolio problems have historically been the major cause of losses and failures. Effective management of the loan portfolio and the credit function is fundamental to a Sacco’s safety and soundness. Loan portfolio management (LPM) is the process by which risks that are inherent in the credit process are managed and controlled.

Because review of the LPM process is so important, it is a primary supervisory activity; (Koch 2000). Assessing LPM involves evaluating the steps the management takes to identify and control risk throughout the credit process.
The assessment focuses on what management does to identify issues before they become problems. The identification and management of risk among groups of loans may be at least as important as the risk inherent in individual loans. For decades, good loan portfolio managers have concentrated most of their effort on prudently approving loans and carefully monitoring loan performance. Although these activities continue to be mainstays of loan portfolio management, analysis of past credit problems, such as those associated with oil and gas lending, agricultural lending, and commercial real estate lending in the 1980s, has made it clear that portfolio managers should do more.

Traditional practices rely too much on trailing indicators of credit quality such as delinquency, nonaccrual, and risk rating trends. (Richardson, 2002). Effective loan portfolio management begins with oversight of the risk in individual loans. Prudent risk selection is vital to maintaining favorable loan quality. Therefore, the historical emphasis on controlling the quality of individual loan approvals and managing the performance of loans continues to be essential. But better technology and information systems have opened the door to better management methods. A portfolio manager can now obtain early indications of increasing risk by taking a more comprehensive view of the loan portfolio; (Koch 2000).

To manage their portfolios, bankers must understand not only the risk posed by each credit but also how the risks of individual loans and portfolios are interrelated. These interrelationships can multiply risk many times beyond what it would be if the risks were not related. Until recently, few banks used modern portfolio management concepts to control credit risk. Now, many banks view the loan portfolio in its segments and as a whole and consider the relationships among portfolio segments as well as among loans. These practices provide management with a more complete picture of the bank’s credit risk profile and with more tools to analyze and control the risk; (Sinkey, 1992).

2.2.4.1.2 Loan Risk Management

When a Sacco grants credit to its customers, it incurs the risk of nonpayment. Credit risk management refers to the systems, procedures and controls which a Sacco puts in place to
ensure the efficient collection of customer payments and minimize the risk of non-payment; (Naceour and Goaied 2003).

Credit risk management forms a key part of a company’s overall risk management strategy. Weak credit risk management is a primary cause of many business failures. Many small businesses have neither the resources nor the expertise to operate a sound credit management system; (Richardson, 2002).

2.3 Empirical Literature Review

This section present several studies which were conducted by different researchers on the factors for inadequate loan management of small merchandise enterprises. The finding of those researchers identified multiple factors for inadequate loan management for small merchandise enterprises.

Barwa (2003) conducted an intensive study on inadequate loan management of women entrepreneurs in Vietnam. The main objective of this study was to examine factors for inadequate loan management for women enterprises. The study was conducted from selected 190 women entrepreneurs using mailed questionnaires and interview. The study found that challenges that women entrepreneurs face in loan management includes lack of business experiences, limited knowledge of marketing strategies, weak business associations, lack of networking facilities, and lack of access to education and trained manpower.

Cosh and Hughes (2003) carried out a study on failure of loan management by small enterprises in British. The purpose of the study was to identify the main factors for failure in loan management of small enterprises a case study of selected small enterprises in Liverpool city. The study mailed questionnaires to 800 small enterprises and the main findings were summarized as; High transaction costs, the risk connected to their business, the limited possibility to appropriate innovations and do not have clue on how to run a business, have no underlying appreciation of business fundamentals, lack of professional, lack of loan management and poor accounting system.
Bond et al., (2007) performed an investigation on the causes of poor control of loan repayment among SMEs in Canada. The main purpose of the study was to determine the possible challenges affecting small enterprises in managing their loan repayment. This study was conducted to 650 medical SMEs using survey as the tool for collecting data. The study concluded that outdated technology, poor access to markets, mismanagement of resources, lack of management skills and fraud, improper planning, lack of control and organizing skills as well as poor staffing.

Mwania, (2011) conducted a study on the effect of Biashara Boresha Loan (BBL) on Performance of Micro and Small enterprises owned by Kenya Commercial Bank (KCB) Ruiru branch customers with objectives to review the lending procedures of biashara boresha loan and assess the causes for poor management of loan on MSEs performance. The study involved face to face interviews with carefully selected SMEs at Nairobi. The study found out that higher interest rate, credit payment terms, poor record keeping and lack of basic business management experience and skills were major contributors for SMEs to fail in managing loan repayments.

Lanta Daniel (2012) carried out a detailed study about the role and challenges of loan management by Small enterprises. The purpose of the study was to investigate the challenges in loan management among women owned enterprises. The study was carried out in Dar es Salaam, in all the three districts, Kinondoni, Ilala and Temeke using questionnaire, interviews guides and field observations as tool for data collection. The study findings revealed that women who own micro and small enterprises in Dar es Salaam do copy and paste others’ business without conducting detail information about the nature of business and also small enterprises do not evaluate interest rate for their loan.

Hosea et al. (2010) did a study on multiple borrowing and loan repayment: A study of microfinance clients at Iringa, Tanzania. Results showed that prevalence of multiple borrowing at Iringa in Tanzania was very high. Over 70% of the 250 microfinance clients had at least two loans from different MFIs at the same time. In addition, about 16% had also borrowed from individual lenders. Major reasons for multiple borrowing were insufficient loans from MFIs, loan recycling, and family obligations. Over 70% of the respondents had
problems in loan repayment because of multiple pending loans. The study recommended that in order to control the incidences MFIs should devise a way of sharing clients’ loan information. In addition, MFIs should provide adequate loans so as to avoid the practice of clients to reapply to other MFIs to meet their requirements. Some form of training should also be provided to help clients distinguish between business and family matters.

Tundui and Tundui (2013). On their study of microcredit, micro enterprising and repayment myth, the case of micro and small women business entrepreneurs in Tanzania. Results have also shown that women borrowers who possessed business skills or had been trained in business management skills were less likely to experience repayment difficulties. The findings also accentuate the need to ensure that women micro entrepreneurs not only have access to training opportunities and business management experience for them to grow, expand their businesses but also increase their avenues for loan repayment. This further suggests that there was a need for an integrated and holistic policy approach in promoting women entrepreneurship rather than piecemeal initiatives. Providing micro-credit in conjunction with training in entrepreneurship development and management may help instill the mind sets, and confidence in women’s abilities to start and manage a business. Similarly, growth of women businesses is influenced by many factors including socio-cultural and other contextual influences.

Joseph (2014) did a study on effectiveness of loan portfolio management in rural SACCOS and evidence from Tanzania. This article used 496 loans from rural SACCOS located in the Northern zone of Tanzania to describe the effectiveness of loan’s portfolio management. The doubtful and bad loans were 51 and 31 million TZS which was more than 10% of the loan portfolio. The findings show loans were aged into 4 classes and the loans aging was not very effective because loans of different ages were classified in a single class. The results from the regression analysis reveal that the quality of loan portfolio was positively influenced by the loan size while the influence of gender and location of the borrowers were not significant. The article recommends that, rural SACCOS should seek the effective insurance services, use the effective software for loan portfolio management, write off non repaid loans, enhance the
repayment of overdue loans and revise the loan classes and maturity in order to improve the quality of the loan portfolio in the SACCOS.

Likewise, Lanta (2012) wrote a dissertation on the role and effect of microfinance institutions’ loan on innovativeness in micro and small enterprises, the case of women’s micro and small enterprises in Dar es Salaam. The study findings revealed that women who own micro and small enterprises in Dar es Salaam do innovate but the effect and role of loan played a minimal in the innovation in these enterprises. The study recommends that women’s micro and small scale entrepreneurs who are keen on enhancing their innovativeness should seek entrepreneurial courses and further education in business so as to master the management of their enterprises. Also financial institutions need to expand on the specification type of loans introducing loan for innovative purposes. Furthermore payment mechanisms by financial institutions should take into consideration the type of the loan taken and the nature of the enterprise that took the loan while interest rate on loan should be reevaluated to lower rates.

In a study by Barwa (2003) on women entrepreneurs in Vietnam, the author found that women face additional handicaps due to the prevailing social and cultural gender-based inequalities and biases. For instance, the barriers that women entrepreneurs face in accessing credit from formal institutions is magnified in view of their limited access to formal education, ownership of property, and social mobility. Other aspects of unequal access to opportunities and markets include business experiences, limited knowledge of marketing strategies, weak business associations, lack of networking facilities, and poor access to education and training programmes.

Makorere, R.F. (2014), performed a study on factors affecting loan repayment behaviour in Tanzania an empirical evidence from Dar es Salaam and morogoro regions. Convenience sampling technique was used in the selection of 100 sample size. Data were collected using administered questionnaire. Moreover, descriptive statistic was used in data analysis. Results show that the uttermost factors like interest rate, grace period, profitability, moral hazard, electricity rationing, and economic stability have strong effects in stimulating loan repayment behaviour in Tanzania. It is, therefore, concluded that government intervention is important.
And also, financial institutions should assess credit risk management adequately using collateral, condition, characters, capacity and capital measurement to control delinquency rate. Appropriate policy on the institution framework was recommended to improve loan repayment behavior in Tanzania.

With regard to loan-assisted activities, White (1991) points out that the vast majority of loans to women in Bangladesh are financing traditional activities which are heavily compromised by the persisting responsibilities of women to cover the consumption needs of the family. As a result 12.5% of BRAC women borrowers compared to only 6.6% of men diverted some or all of their loan into consumption. This evidence suggests that the provision of credit does not challenge the traditional division of labour thereby resulting into increased male predominance. In relation to a study by Karim (2001) on women entrepreneurs in Bangladesh, concludes that, financial problems were the most common problems faced by their women entrepreneurs. Inadequate financing was ranked first, particularly so in rural areas and among small economic units. Competition, obtaining quality raw materials, and balancing time between the enterprise and the family were ranked as major start-up problems.

Goetz and Sen Gupta (1994) looked at the control women retained over loans received from the Grameen Bank, BRAC, a large government scheme and a small NGO, all four in Bangladesh. The study was based on 275 detailed loan-use histories. The findings suggested that in 37% cases women retained significant control over loan use while 63% had partial, limited or no control over loan use. At the same time the findings revealed a prevalence of intra-household transfers of loan from the formal (female) borrowers to their male kin. The study further found that single, divorced and widowed women were more likely to retain control of loan use than others. Control was more when loans were small and its use did not challenge prevailing gender roles.

Montgomery et al (1996) conducted a study on BRAC's attempt to empower women and the poor. BRAC's argument is that targeted credit is a way of enhancing a poorer individuals' or households' economic status and power as well as altering the relations of gender and class to the benefit of the weaker parties.
Although Montgomery et al. (ibid) admit that their data on BRAC does not offer any substantive findings, they postulate that there was no guarantee that credit provision per se will change gender relations in ways that empower women in any simple sense even if same degree of social status was gained as a result of increased contribution in the household. They further argue that those women who do well as a result of credit are much more likely to be more empowered vis-a-vis other women than the men folk in their household or in the wider society.

2.4 Research Gap

Studies reviewed in section 2.6 shows there are several challenges in loan management of small enterprises performance. However, most of the studies in preceding section were conducted outside Tanzania environment which could be quite different to that of Tanzania and few of them were conducted in Tanzania environment. Moreover, most of these studies focused on factors of inadequate in loan management of small enterprises performance while few of them focused on reasons of inadequate in loan management for women entrepreneurs. Therefore, there is a need to carry another research relating to Tanzania context which focuses on challenges in loan management among women entrepreneurs where the issue is more serious. The current study bridges the gap by conducting a study on challenges in loan management of small enterprises performance a case of selected women entrepreneurs in Mwanza city.

2.5 Conceptual Framework

The purpose of this section is to develop a conceptual framework that guide the researcher in the study. The conceptual framework explains the main issues under the study in either graphically or in a narrative form; (Miles and Herberman, 1994). The conceptual framework also explains the relationships between variables. This study focuses on important variables, their relationship in order to be well understood and guide the information to be collected and analyzed. This part presents the general conceptual framework about the problem under study as per the reviewed microfinance literatures. A conceptual framework is described as a set of broad ideas and principles taken from relevant fields of enquiry and used to structure a subsequent presentation; (Rainey and Bozeman, 2000).
They further argue that, when clearly articulated, a conceptual framework has potential usefulness as a tool to scaffold research and, therefore, to assist a researcher to make meaningful subsequent findings. Such a framework should be intended as a starting point for reflection about the research and its context.

Moreover, Escalada (2009) argues that; a framework is simply the structure of the research idea or concept and how it is put together. Escalada continues to argue that, a conceptual framework elaborates the research problem in relation to relevant literature. This section summarizes the major variables of the research study. As a whole conceptual framework covers the conceptualized relationships between variables, that is; independent variables (presumed cause), dependent variables (presumed effect) and intervening and moderating variables. The researcher reviewed the modern and relevant literature about factors for inadequate loan management on women merchandise entrepreneurs in Nyamagana district Mwanza region. As there is different standpoints among researchers towards the factors for inadequate loan management on women merchandise entrepreneurs.

This is a gap in knowledge which is the appropriate road map guiding her to answer research questions, complete study objectives. In that regard, she intends to explore factors in exploring factors for inadequacy loan management on women entrepreneurs in Tanzania as her study. In this study merchandise women entrepreneurs were the independent variables where as there were dependent variables which affected the study in different ways as indicates the figure 2.5.1. The underlying assumption for the study is that the loan management which was the independent variable was influenced by the following intervening variables which were nature of loan provided, ways used to manage loan and factors for inadequacy loan management. Figure 2.1 highlights the relationship between variables and the expected outcomes once inadequacy loan is achieved.
Figure 2.1: Conceptual Framework Model

<table>
<thead>
<tr>
<th>Independent Variables</th>
<th>Intervening Variables</th>
<th>Dependent Variables</th>
</tr>
</thead>
<tbody>
<tr>
<td>Nature of loan provided</td>
<td>Loan Management</td>
<td></td>
</tr>
<tr>
<td>Ways used to manage loan</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Factors for inadequacy loan management</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Women Entrepreneurs</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Source: Researcher, 2015.

2.5.1 Conceptual Frame Model Analysis

The conceptual framework in the figure 2.5.1 above show the relationship between independent and dependent variables as well as intervening variables. The independent variables were factors for inadequate loan management which were conceptualized as nature of loan provided, ways used to manage loan provided and factors for inadequacy loan management.

The independent variable as noted to be inadequate or adequate loan management in the literature; (Barwa, 2003; Bond et al., 2007; Lanta Daniel, 2012; Mwania, 2011; Cosh and Hughes, 2003).

In contrast, the dependent variables were responses or outcomes of independent variables conceptualized as vulnerability into risk environment, unprofitable business, stiff competition, business mortality, delayed loan repayment, shunning of business operations, and financial liabilities. In additional, the intervening variables which include economic climate, Government policy, and cultural values were taken into consideration for their
moderating effect on the independent variables. The research aimed to find whether these variables interact to influence inadequate loan management of small enterprises with the aim of addressing the research problem.
CHAPTER THREE

RESEARCH METHODOLOGY

3.1 Introduction

This chapter describes the methodology that was employed to carry out the study. It was a science study on how the research was done; (Kothari, 2008). It highlights the research design, the geographical study area, target population, sample size and the sampling techniques. It also gives the sources of data, methods of data collection and analysis. It further presents validity and reliability of research design and ethical considerations.

3.2 Research Design

Research design is the blueprint for collection, measurement and analysis of data that enable the researcher to come up with solutions to the research problem and guides him/her in the various stage of the research; (Frankfort, 1996). It is the arrangement of conditions for the collection and analysis of data in a manner that aims to combine relevance to the research purpose with economy in procedure; (Kothari, 2008). The importance of the research design is to ensure that all aspects of the study are well addressed and implemented to enable right use of time and resources as well as enable accurate assessment of validity and reliability; (Easwaran, 2010). Research can be classified into three categories: exploratory, descriptive and casual or diagnostic; (Sekaran, 2003). The study adopted a descriptive research design incorporating both quantitative and qualitative approaches as they complement each other. Descriptive research helped the current researcher to understand the phenomenon and to get the broad picture of the phenomenon as it provides a tool for describing a phenomenon (population characteristics) which helps to give ideas for further probing and make simple decisions; (Malhotra, 2004).

3.3 Geographical Area of the Study

The study was conducted in Nyamagana district Mwanza city which is in the north-western part of Tanzania. The region covers an estimated area of a total of 20,095 square kilometers
according to 2012 census. Regions bordering Mwanza regions are Kagera and Geita to the west, Shinyanga to the south and south east. Northeast boarders Mara region; the northern part of Mwanza region is surrounded by Lake Victoria which in turn separates the region from neighboring countries of Uganda and Kenya.

Mwanza city has seven districts namely; Sengerema, Misungwi, Magu, Nyamagana, Ilemela, Kwimba and Ukerewe. The researcher selected Mwanza–city as the area of the study due to familiarity with the region, it is among of the regions in Tanzania which have many women who operate their merchandise business through the use of loan.

3.4 Target Population
Burns and Grove, (2000) indicated that population is the group of people who share common traits or attributes of interest to the researcher. The target population of this research study comprised women who operate their small merchandise enterprises with the access of loan from different financial institution like VICOBA, BRAC, PRIDE, FINCA of an experience of not less than two years in Nyamagana, Mwanza city. The researcher did not include women entrepreneurs with less than two years because they were not stable and most of them were not experienced on loan management.

3.5 Sample Size and Sampling Procedure
Sample is the total collection of elements about which inferences are to be made; (Cooper & Schindle, 2006). Samples were selected because it was not possible at times to study the entire population due to various limiting factors such as lot of time, cost and other research resources; (Mugenda and Mugenda; 1999). To obtain required sample size, Bailey (1994) recommended that regardless of the population size, a sample size of 30 is the minimum for data collection. Therefore, the population sample for this study were 144 women merchandise entrepreneurs.

3.6 Sampling Techniques
Kothari, (2008) Sampling is that part of statistical practice concerned with the selection of individual observations (unit of analysis) intended to yield some knowledge about the
population of concern, especially for the purpose of statistical inferences. The study used purposive sampling, this is also known as selective or subjective sampling, is a type of non-probability sampling technique that focuses on sampling techniques where the units that investigated were based on the judgment of the researcher.

3.7 Sources and Data Collection Methods
The study used both secondary and primary data. This was used to identify the challenges of inadequacy loan management on women entrepreneurs. Primary data were collected from women entrepreneurs and clients of MFIs to find out on whether the loan offered by MFIs. In order to get accurate primary data, a combination of semi structured interview and self administered questionnaires were employed to collect data. Primary data was a data collected by the researcher herself from the respondents in the field. Also primary data were collected from microfinance client of the selected small women merchandise to find out the challenges facing their loan management. However, secondary literature were collected through documentary review which was a method for data collection which involved deriving information by studying written documents; (Raj, 2002), where as the written materials were in hard copy or soft copy.

The theoretical chapter in this dissertation foremost based on a literature study from previous published and un published literature. The researcher read books and magazines to deepen her understanding in inadequacy loan management on women merchandise entrepreneurs. On the Internet the researcher mainly used the library databases to search for articles, definitions of terms and new information and more profoundly the search engine Google and Wikipedia.com search. Other secondary data were sourced from government microfinance institution records. The information included previous manpower plan, training policy, current handbook, various circulars, and publications like books, journals, written documents of microfinance and government institutions at large.
3.7.1 Primary Data

Under this study, primary data was collected by using questionnaire with closed questions that was distributed to respondents to be filled. The researcher structured the closed questions with two or more responses from which the respondents can choose. Closed questions were employed because they were simple to administer, compile and analyses. The interview was done face-to-face questioning between researcher and the respondents. This was another method used to collect primary data, whereby open ended questions were used. This study involved interview to obtain depth and detail of information, as the researcher was able to do more things to improve the responses and quality of information.

3.7.2 Secondary Data

Secondary data are the data that is already exists in published reports, books and internet and that which was not collected specifically for providing information on the decision under the question; (Saunders et al 2003; Easwaran and Singh 2010) ). According to Krishnaswami and Ranagnatham (2003), secondary data consist of readily available compendia and already compiled statistical annual reports that data may be used by researchers for their studies. In this research, the secondary data was collected from reviewing existing small enterprises and financial institution loan reports. Secondary data consists of information that has already been gathered and might be relevant to the problem at hand; (Carl, 2006). The current study also involved documentary review such as reports, News papers, Journals, Brochures and other relevant documents showing factors for inadequacy loan management on women entrepreneurs. The study used secondary data as they were quick, cheap to obtain and they broadened the database from which scientific generalization were made.

3.8 Data Collection Methods

This study used two data collection instruments: questionnaires and interview. Primary data were collected through interview and questionnaires. The same questions were posed to respondents in interview guide and in the questionnaire. The questions were constructed to answer specific objectives which intended to identify and examine factors for inadequate loan management on women merchandise entrepreneurs. Two research assistants were recruited to
assist the researcher in data collections. They were trained before and given a guideline document to follow. The research questionnaires were completed by both categories of the respondents. All the interviews were conducted at respondents’ premise with each respondent.

Primary data were collected through interview and questionnaires. The same questions were posed to respondents in interview guide and in the questionnaire. The questions were constructed to answer specific objectives which intended to identify and examine factors for inadequacy loan management on women merchandise entrepreneurs.

The specific objectives were to identify nature of loan provided to small merchandise enterprises; to identify ways used to manage loan to small merchandise enterprises in Nyamagana district and to determine the factors for inadequacy in loan management in small merchandise enterprises.

3.8.1 Questionnaires
The researcher tested the questionnaire with a convenience sample of six women entrepreneurs and comments from these respondents were incorporated to make a final version. Only respondents, who were accessible, willing to participate, located in the convenient area and those who have knowledge of the subject under the study were selected for pilot study. Details of questionnaire for women entrepreneurs are indicated in Appendix I. The questionnaires were written in both English and Swahili language because respondents of this study were small enterprises who may not be necessarily fluent in English language. The researcher used this tool of collecting data because the information was collected from large sample which is widely spread, therefore, questionnaire was less expensive to the researcher and it is free from bias of the researcher because answers are in respondents’ own words. Moreover, with questionnaires respondents have adequate time to provide detailed and well thought answers.

3.8.2 Interview
Interview method of data collection involves presentation of oral-verbal stimuli and reply in terms of oral-verbal responses. It can be used through personal interview and, if possible
through telephone interview (Kothari, 2008). Interviews are important as they encourage a two-way communication which strengthens bonds, trust and enhance relationship between interviewer and interviewee hence increases interviewee willingness to respond; (Willon, 1995). The current study involved interview method of data collection to obtain primary data. The researcher employed a combination of structured questions and unstructured face-to-face questions for the interview to obtain data from respondents. Open ended questions were unstructured ones, providing free scope to the respondents to reply with their own choice of words and choice.

This tool was used by the current researcher in order to give chance to the respondents who are not willing to read but wanted to give their opinions about the study. In this study women entrepreneur were interviewed. Details of the interview guides are provided in Appendices II. With Interview method the researcher was able to collect supplementary information about the respondents’ personal characteristics which enable the researcher to be flexible while maintaining the intended objectives to cover and to probe for more information that would be otherwise obtained through questionnaires.

3.8.3 Documentary Review
Mogalakwe (2006), documentary review refers to the analysis of documents that contains information about phenomenon the researcher wish to investigate. In this study, the researcher used documentary review by gathering information from reports, news papers, journals, brochures and other relevant documents about challenges in loan management of small enterprises.

3.9 Data Analysis
Data analysis is defined as a critical examination of the assembled and grouped data for studying the characteristics of the object under study and for determining patterns and relationships among the variables relating to the study topic; (Krishnaswami and Ranganatham 2003). Furthermore, it is necessary to have all relevant data in place for making contemplated comparison and analysis. In this study, both quantitative and qualitative data analysis technique was used.
2.9.1 Quantitative Data Analysis
In this technique, descriptive statistic (such as frequency tables and mean) were conducted on the data collected from returned questionnaires using the statistical package for social sciences (SPSS) software. Thereafter, data was summarized, analyzed in a general way and interpreted as per research objectives. This enabled the researcher to draw out the information about the problem under investigation and made necessary discussion to address the research problem.

Qualitative Data Analysis
Qualitative data from interview scripts, notes and statements was systematically coded, and classified into broad descriptive categories regarding themes, meanings and/or issues that emerged from the information collected through interview. These data were further linked to the research objectives/questions to generate meaning about the study topic.

3.10 Reliability and Validity of Research Design
The quality of research depends on the design of research instruments as well as application of these instruments in data collection in the field. There were several criteria or tests for judging the quality of any empirical research. These included validity and reliability; (Easwaran and Singh, 2010) and how each was achieved.

3.10.1 Validity
Validity refers to the issue whether an indicator (or set of indicators) that is devised to gauge a concept really measure that concept; (Bryman, 2004). To ensure validity of instruments, the questionnaires and interview protocols were developed under close guidance of the supervisor. After the design of the questionnaire, they were pre-tested with participants from target population. This helped to identify ambiguous questions in the instruments; their comments were incorporated into the final version and be able to re-align them to the objectives. Moreover, validity was achieved by specifying the units of analysis and
developing the conceptual framework as described in figure 2.3.1 of chapter two of this study.

3.10.2 Reliability
Reliability is the extent to which results are consistent over time and an accurate representation of the total population under the study, and if the results of the study can be reproduced under similar methodology, the research instrument is considered to be reliable; (Joppe, 2000). For this study, reliability was achieved by ensuring questionnaire were uniformly processed and analyzed using statistical package for social sciences (SPSS) software to ensure consistency of the research results.

3.11 Ethical Considerations
Consideration of ethical issues was an integral part to the research process, therefore, a researcher considered the potential damage the study could cause to themselves. The researcher considered potential damage the study could cause to themselves, the community and to respondents when conducting their research; (Miles and Herberman, 1994). In this study, the following ethical issues were taken into account;

3.11.1 Informed Consent
In this study, the respondents were informed with all aspects of the research that might influence their decisions to seek their willingness to take part in the study.

3.11.2 Confidentiality and Anonymity
Respondents’ name and their responses were not disclosed to the third party without the informed consent of the respondent. The researcher informed the respondents to the questionnaire that this study was for academic purpose and not otherwise.
3.11.3 Plagiarism and Fraud

To avoid plagiarism and fraud, the researcher did not cut and paste but instead source of and authors were cited from their sources. Furthermore, the researcher requested permission letter from the university authorities to show the respondents before conducting the research. By applying the proposed ethical strategies as explained above, the researcher was able to obtain superior and sound data that enabled the research findings to be of high value in addressing the real picture of the phenomenon under the study.
CHAPTER FOUR

FINDINGS, ANALYSIS AND DISCUSSION

4.1 Introduction
The chapter presents the findings of the study. It also analyses and discusses the findings as per study objectives. The chapter begins by presenting the descriptive findings then it analyses and discusses the findings of the study.

4.2 Characteristics of the Respondents
The study has revealed the characteristics of the respondents such as, age and position of respondents. Determining the characteristics of the particular responds was very significant as the respondents helped the researcher to understand the quality of the information obtained from the field. This section aims at gathering basic information concerning factors for inadequacy loan management in small merchandise enterprises. The information sought includes age, years in the business and occupation. All these variables helped to sort out the influence of each category towards loan management.

4.2.1 Age of the Respondents
The aspect of age was checked during data collection where respondents were asked to indicate their age group. Respondents with between 36-45 years were 47 (41.2%) followed by the range between 46-55 years who were 32 (28.1%), respondents between 26-35 years were 28 (24.6%) and 7 (6.1%) were between 18-25 years. Table 4.1 demonstrates the finding of the study. The result generally suggested that majority respondents were between the ages of 36 to 45 years. This shows that many women entrepreneurs are between 36-45 years and further more the findings indicate that women entrepreneurs of this age range are able to take the loan risk. The findings from the field also indicate that, majority women merchandise entrepreneurs in Nyamagana district were young and more energetic enough for the business
hence have the ability of loan access and management for the development of the Mwanza city and Tanzania at large.

Table 4.1: Age of Respondents

<table>
<thead>
<tr>
<th>Age Group</th>
<th>Frequency</th>
<th>Percent</th>
<th>Cumulative Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>18-25</td>
<td>7</td>
<td>6.1</td>
<td>6.1</td>
</tr>
<tr>
<td>26-35</td>
<td>28</td>
<td>24.6</td>
<td>30.7</td>
</tr>
<tr>
<td>36-45</td>
<td>47</td>
<td>41.2</td>
<td>58.8</td>
</tr>
<tr>
<td>46-55</td>
<td>32</td>
<td>28.1</td>
<td>100.0</td>
</tr>
<tr>
<td>Total</td>
<td>114</td>
<td>100.0</td>
<td></td>
</tr>
</tbody>
</table>

Source: Field data, 2015.

4.2.2 Number of Years in Business

Respondents were asked to state the number of years they have been in business. The findings presented in Table 4.2 reveal that respondents who were in business 3-5 years were 52 (45.6%) and 0-2 were 47 (41.2%). The other category of respondents 8 (7%) were in business between 5-7 years, 5 (4%) 7-9 years and 2 (1.8%) were in business for more than 10 years. The findings imply that majority of the respondents were in business between 2-5 years which means that they had little experience in loan management hence need more funds to strengthen their business.

Table 4.2: Number of Years in Business

<table>
<thead>
<tr>
<th>Years</th>
<th>Frequency</th>
<th>Percent</th>
<th>Cumulative Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>0-2</td>
<td>47</td>
<td>41.2</td>
<td>86.8</td>
</tr>
<tr>
<td>3-5</td>
<td>52</td>
<td>45.6</td>
<td>45.6</td>
</tr>
<tr>
<td>5-7</td>
<td>8</td>
<td>7.0</td>
<td>93.9</td>
</tr>
<tr>
<td>7-9</td>
<td>5</td>
<td>4.4</td>
<td>98.2</td>
</tr>
<tr>
<td>More than 10</td>
<td>2</td>
<td>1.8</td>
<td>100.0</td>
</tr>
<tr>
<td>Total</td>
<td>114</td>
<td>100.0</td>
<td></td>
</tr>
</tbody>
</table>

Source: Field data, 2015.
4.3 The Answer to the Research Question One

The nature of loan provided to small merchandise enterprises in Nyamangana district was the first specific objective of the study.

The analysis and discussions were based on the responses from questionnaires, interview and secondary data information. Respondents were asked on the nature of loan provided to small merchandise enterprises in relation to their access to loan, name of micro financial institutions.

4.3.1 Nature of the Loan provided

The first objective of the study was to identify nature of loan provided to small merchandise enterprises in Nyamangana district. The findings are presented in Table 4.3. The findings show that 59 (51.7%) indicate that they took short term loans, 37 (32.4%) indicate that they were provided with medium term loans. The other category of respondents 18 (15.9%) were provided with long term loans. The findings imply that, the majority of the respondents took short term loans and their businesses were still at initial or medium stage. The findings from the study relates with the Credit Risk Theory that offers clients or women entrepreneurs to receive long or short term loans in order to qualify for loan services.

<table>
<thead>
<tr>
<th>Nature of Loan Provided</th>
<th>Frequency</th>
<th>Percent</th>
<th>Cumulative Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Short term loan(1-4 months)</td>
<td>59</td>
<td>51.7</td>
<td>7.0</td>
</tr>
<tr>
<td>Medium loan(5-12months)</td>
<td>37</td>
<td>32.4</td>
<td>39.4</td>
</tr>
<tr>
<td>Long term loan(1-5 years)</td>
<td>18</td>
<td>15.9</td>
<td>100</td>
</tr>
<tr>
<td>Total</td>
<td>114</td>
<td>100.0</td>
<td></td>
</tr>
</tbody>
</table>

Source: Field data, 2015.
4.3.2 Access to Loan

The access to loan was the other factor the study recommended in order to verify the nature of loan provided to women merchandise enterprises. Respondents were asked to state whether they have access to loan provided by financial institutions. The findings provided in Table 4.4 reveal that, 24 (21%) of respondents agreed that they have access to loan provided by financial institutions while 90 (79%) disagreed on the statement. The findings imply that women do not have access to loan provided by financial institutions. Since qualifications to access loan includes many factors in relation to loan security and the size of loan provisions. On the other hand, access to loan provisions from microfinance institutions base also on the nature on business or enterprise a woman intends to operate.

On that regard, findings from the field evidenced microfinance policies as put forth by the theory that guides this study. Because review of the loan portfolio management process is so important, it is a primary supervisory activity; (Koch 2000). Assessing LPM involves evaluating the steps the management takes to identify and control risk throughout the credit process. The assessment focuses on what management does to identify issues before they become problems. The identification and management of risk among groups of loans may be at least as important as the risk inherent in individual loans. For decades, good loan portfolio managers have concentrated most of their effort on prudently approving loans and carefully monitoring loan performance.

<table>
<thead>
<tr>
<th></th>
<th>Frequency</th>
<th>Percent</th>
<th>Cumulative Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Agree</td>
<td>24</td>
<td>21.0</td>
<td>21.0</td>
</tr>
<tr>
<td>Disagree</td>
<td>90</td>
<td>79.0</td>
<td>79.0</td>
</tr>
<tr>
<td>Total</td>
<td>114</td>
<td>100.0</td>
<td>100.0</td>
</tr>
</tbody>
</table>

Source: Field data, 2015.
4.3.3 Name of Financial Institutions that Provide Loans

Respondents were asked to state the name of the financial institution that provides loans which can easily be accessible by women at Nyamagana districts. The findings are provided in Table 4.5 shows that, 52 respondents (45.6%) stated that they easily accessed loans from PRIDE. The other category of respondents 38 (33.3%) stated that they easily got loans from FINCA. The third category of respondents 16 (14%) said they easily got loans from VICOBA. The last category of respondents 8 (7%) said they got loans from BRAC. Basing on the findings from the field, data conclude that the majority of women in Nyamagana easily accessed loans from PRIDE than any other financial institution. Therefore women entrepreneurs sometimes opt for a certain microfinance institution rather than the other due to numerous factors basing on the way they can manage loan during repayment processes.

The findings matches the theory of credit risk that bases on traditional practices which rely too much on trailing indicators of credit quality such as delinquency, nonaccrual, and risk rating trends.; (Richardson, 2002). Effective loan portfolio management begins with oversight of the risk in individual loans. Prudent risk selection is vital to maintaining favorable loan quality. Therefore, the historical emphasis on controlling the quality of individual loan approvals and managing the performance of loans continues to be essential. But better technology and information systems have opened the door to better management methods. A portfolio manager can now obtain early indications of increasing risk by taking a more comprehensive view of the loan portfolio; (Koch 2000).

Table 4.5: Name of Financial Institutions that Provide Loans

<table>
<thead>
<tr>
<th></th>
<th>Frequency</th>
<th>Percent</th>
<th>Cumulative Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>VICOBA</td>
<td>16</td>
<td>14.0</td>
<td>14.0</td>
</tr>
<tr>
<td>FINCA</td>
<td>38</td>
<td>33.3</td>
<td>47.4</td>
</tr>
<tr>
<td>PRIDE</td>
<td>52</td>
<td>45.6</td>
<td>93.0</td>
</tr>
<tr>
<td>BRAC</td>
<td>8</td>
<td>7.0</td>
<td>100.0</td>
</tr>
<tr>
<td>Total</td>
<td>114</td>
<td>100.0</td>
<td></td>
</tr>
</tbody>
</table>

Source: Field data, 2015.
4.4 Answers to Research Question Number Two

The second objective of the study was to identify ways used to manage loan to small merchandise enterprises in Nyamagana district. Respondents were asked whether they agree or not with good finance record keeping, capital structure model system, good management of debtors, effective contract management for loan taken, good communication with creditors and good plans for the loan taken a way used to manage loan repayment. According to the planned behavioural theory the attitude towards the subjective norms and perceived behavioural control leads to the formation of a certain behavioural intention on matters concerning loan management on women merchandise entrepreneurs; (Francis et al., 2004). The theory of the planned behaviour is used to determine factors influencing effective loan management behaviour.

4.4.1 Good Finance Record Keeping

Respondents were asked whether they agree or not that good finance record keeping was a way they used to manage loan repayments. The findings presented in Table 4.6 indicates that 20 (17.5%) of the respondents strongly agreed that good finance record keeping was a way used to manage loan repayment. The second category of respondents 85 (74.6%) agreed that good finance record keeping was a way for managing loan repayment. The last category of respondents 7 (6.1%) were neutral on the statement while 2 (1.8%) strongly disagreed with the record keeping as a way for managing loan repayments. The findings imply that the majority of women entrepreneurs in Nyamagana use good finance record keeping as a way to manage loan repayment.

The study identified the relationship between the theory of planned behaviour on one hand and borrowers’ behaviour on the other so as to show clearly the specific factors that influence the whole process of loan management by the loan borrowers to women merchandise entrepreneurs. Basically, the loan management process is the function of borrowers’ behaviour, business characteristics, financial institutions’ characteristics and policy and regulatory issues. The study is intended to analyze the factors influencing effective loan management by loaners. For the borrowers to effect the financial institutions’ loans, there must be a conducive and predictable business environment in terms of profit generated, less
business risks, business training to loan borrowers, competitive and record keeping; (Kuzirwa, 2002).
Table 4.6: Good Finance Record Keeping

<table>
<thead>
<tr>
<th></th>
<th>Frequency</th>
<th>Percent</th>
<th>Cumulative Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Strongly agree</td>
<td>20</td>
<td>17.5</td>
<td>17.5</td>
</tr>
<tr>
<td>Agree</td>
<td>85</td>
<td>74.6</td>
<td>92.1</td>
</tr>
<tr>
<td>Neutral</td>
<td>7</td>
<td>6.1</td>
<td>98.2</td>
</tr>
<tr>
<td>Disagree</td>
<td>2</td>
<td>1.8</td>
<td>100.0</td>
</tr>
<tr>
<td>Total</td>
<td>114</td>
<td>100.0</td>
<td></td>
</tr>
</tbody>
</table>

Source: Field data, 2015.

4.4.2 Capital Structure Model System

Respondents were asked whether they agree or not that capital structure model system was a way used to manage loan repayment. The findings presented in Table 4.7 reveal that capital structure model system was a way used to manage loan repayment since 30 (26.3%) of the respondents strongly agreed. The second category of respondents 61 (53.5%) agreed, 13 (11.4%) were neutral, 4 (3.5%) disagreed and finally 6 (5.3%) of the respondents strongly disagreed on the statement. Basing on the findings from the field the majority of respondents agree with the capital structure model system as a way used to manage loan repayment.

Field data relate with the Credit Risk Theory that guided the study on the capital model system. To manage their portfolios, bankers must understand not only the risk posed by each credit but also how the risks of individual loans and portfolios are interrelated. These interrelationships can multiply risk many times beyond what it would be if the risks were not related. Until recently, few banks used modern portfolio management concepts to control credit risk. Now, many banks view the loan portfolio in its segments and as a whole and consider the relationships among portfolio segments as well as among loans. These practices provide management with a more complete picture of the bank’s credit risk profile and with more tools to analyze and control the risk; (Sinkey, 1992).
### Table 4.7: Capital Structure Model System

<table>
<thead>
<tr>
<th></th>
<th>Frequency</th>
<th>Percent</th>
<th>Cumulative Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Strongly agree</td>
<td>30</td>
<td>26.3</td>
<td>26.3</td>
</tr>
<tr>
<td>Agree</td>
<td>61</td>
<td>53.5</td>
<td>79.8</td>
</tr>
<tr>
<td>Neutral</td>
<td>13</td>
<td>11.4</td>
<td>91.2</td>
</tr>
<tr>
<td>Disagree</td>
<td>4</td>
<td>3.5</td>
<td>94.7</td>
</tr>
<tr>
<td>Strongly disagree</td>
<td>6</td>
<td>5.3</td>
<td>100.0</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>114</strong></td>
<td><strong>100.0</strong></td>
<td></td>
</tr>
</tbody>
</table>

**Source:** Field Data, (2015).

#### 4.4.3 Good Management of Debtors

Respondents were asked whether they agree or not that good management of debtors was a way used to manage loan repayment. The findings presented in Table 4.8 evidenced whether good management of debtors were used to manage loan repayment or not. The first category of respondents 41 (36%) strongly agreed that good management of debtors was a way to manage loan repayment. The second category of respondents 65 (57%) agreed, 4(3.5%) were neutral, 2(1.8%) disagreed on the statement and finally 2 (1.8%) strongly disagreed with the statement. Respondents also stated other ways used to manage loan repayments which were to ensure effective contract management for loan taken, good communication with creditors and good plans for the loan taken.

In practice, therefore, these factors have to be considered adequately so as to stimulate and ensure loan repayment behaviour. This is because; accessibility to loans by the borrowers can be determined by effective borrowers’ behaviour, good management of debtors, financial institutions’ characteristics, business characteristics, policies and regulations. Borrower’s behaviour can be determined in terms of age, marital status, gender, profit margin, business location, household size, moral hazard, nature of business, power rationing, and economic stability. In most cases, financial institutions use these factors to determine the amount of loan to be disbursed to the borrower.
Table 4.8: Good Management of Debtors

<table>
<thead>
<tr>
<th></th>
<th>Frequency</th>
<th>Percent</th>
<th>Cumulative Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Strongly agree</td>
<td>41</td>
<td>36.0</td>
<td>36.0</td>
</tr>
<tr>
<td>Agree</td>
<td>65</td>
<td>57.0</td>
<td>93.0</td>
</tr>
<tr>
<td>Neutral</td>
<td>4</td>
<td>3.5</td>
<td>96.5</td>
</tr>
<tr>
<td>Disagree</td>
<td>2</td>
<td>1.8</td>
<td>98.2</td>
</tr>
<tr>
<td>Strongly disagree</td>
<td>2</td>
<td>1.8</td>
<td>100.0</td>
</tr>
<tr>
<td>Total</td>
<td>114</td>
<td>100.0</td>
<td></td>
</tr>
</tbody>
</table>

Source: Field data, 2015.

4.5 The Answers to Research Question Three

The third objective of the study was to determine the factors for inadequacy in loan management in small merchandise enterprises. Respondents were asked to state on how accounting system, interest rate, management skills, business experience, management of resources and unforeseeable risk affects inadequacy loan repayment.

4.5.1 Poor Accounting System

Respondents were asked to state if poor accounting system affects loan repayment. The findings presented in Table 4.9 reveals that 48 (42.1%) of the respondents strongly agreed that poor accounting system affects loan repayment. The second category with 62 respondents (54.4%) agreed that poor accounting system may affect loan repayment. The third category of respondents 2 (1.8%) were neutral on the statement. The last category or respondents 2 (1.8%) strongly disagreed with the statement that poor accounting results on loan repayment. This implies that a proper accounting system was very important for the development of the business. In practice, these poor accounting system have to be considered adequately so as to stimulate and ensure loan repayment behaviour.
Table 4.9: Poor Accounting System

<table>
<thead>
<tr>
<th></th>
<th>Frequency</th>
<th>Percent</th>
<th>Cumulative Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Strongly Agree</td>
<td>48</td>
<td>42.1</td>
<td>42.1</td>
</tr>
<tr>
<td>Agree</td>
<td>62</td>
<td>54.4</td>
<td>96.5</td>
</tr>
<tr>
<td>Neutral</td>
<td>2</td>
<td>1.8</td>
<td>98.2</td>
</tr>
<tr>
<td>Strongly disagree</td>
<td>2</td>
<td>1.8</td>
<td>100.0</td>
</tr>
<tr>
<td>Total</td>
<td>114</td>
<td>100.0</td>
<td></td>
</tr>
</tbody>
</table>

**Source:** Field data, 2015.

### 4.5.2 Higher Interest Rate

Respondents were asked to state whether or not high interest rate affected loan repayment for small merchandise enterprises. The findings presented in Table 4.10 demonstrates that 75 (65.8%) of the respondents strongly agreed with the high interest rate offered by microfinance institutions at the same time affects loan repayment for small merchandise.

The second category of respondents 36 (31.6%) agreed that high interest rate affect loan repayment for small merchandise enterprises. Basing on the findings from the field, the majority of respondents conclude that, higher interest rate affect loan repayment for small merchandise enterprises. This implies that high interest rate on loans remains as an obstacle according to the higher interest rates.

Basically, the loan management process is the function of borrowers’ behaviour, business characteristics, financial institutions’ characteristics and policy and regulatory issues. The study intended to analyze the factors influencing effective loan management by loaners. For the borrowers to manage loans, there must be a conducive and predictable business environment in terms of profit generated, less business risks, business training given to the loan borrowers, competitive and reasonable interest rates charged by the financial institutions; (Kuzirwa, 2002).
Table 4.10: Higher Interest Rate

<table>
<thead>
<tr>
<th></th>
<th>Frequency</th>
<th>Percent</th>
<th>Cumulative Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Strongly agree</td>
<td>75</td>
<td>65.8</td>
<td>65.8</td>
</tr>
<tr>
<td>Agree</td>
<td>36</td>
<td>31.6</td>
<td>97.4</td>
</tr>
<tr>
<td>Neutral</td>
<td>1</td>
<td>.9</td>
<td>98.2</td>
</tr>
<tr>
<td>Strongly disagree</td>
<td>2</td>
<td>1.8</td>
<td>100.0</td>
</tr>
<tr>
<td>Total</td>
<td>114</td>
<td>100.0</td>
<td></td>
</tr>
</tbody>
</table>

Source: Field data, 2015.

4.5.3 Lack of Management Skills

Respondents were asked to state whether or not lack of management skills affect loan repayment for small merchandise enterprises. The findings presented in Table 4.11 shows that 52 (45.6%) of the respondents strongly agreed that lack of management skills affect loan repayment for small merchandise enterprises, 50 (43.9%) agreed while 11 (9.6%) were neutral and 1 (0.9%) did not agree on the effect of management skills on loan repayment. Basing on the findings from the field, the majority of respondents who participated in the study strongly agreed that lack of management skills would affect loan repayment for small merchandise enterprises. According to the Credit Risk Theory that governed the study, lack of management skills were found to affect loan repayment for small merchandise enterprises. Credit risk management refers to the systems, procedures and controls which a Sacco puts in place to ensure the efficient collection of customer payments and minimize the risk of non-payment; (Naceour and Goaied, 2003). Lack of management skills forms a key part of women entrepreneurs overall risk management strategy. Lack of management skills is a primary cause of many business failures.
Table 4.11: Lack of Management Skills

<table>
<thead>
<tr>
<th></th>
<th>Frequency</th>
<th>Percent</th>
<th>Cumulative Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Strongly agree</td>
<td>52</td>
<td>45.6</td>
<td>45.6</td>
</tr>
<tr>
<td>Agree</td>
<td>50</td>
<td>43.9</td>
<td>89.5</td>
</tr>
<tr>
<td>Neutral</td>
<td>11</td>
<td>9.6</td>
<td>99.1</td>
</tr>
<tr>
<td>Disagree</td>
<td>1</td>
<td>.9</td>
<td>100.0</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>114</strong></td>
<td><strong>100.0</strong></td>
<td></td>
</tr>
</tbody>
</table>

**Source:** Field data, 2015.

4.5.4 Lack of Business Experiences

Respondents were asked to state whether or not lack of business experiences affect loan repayment for small merchandise enterprises. The findings presented in Table 4.12 reveals that lack of business experiences affect loan repayment for small merchandise enterprises since 59 (51.8%) strongly agreed and 49(43%) agreed while only 2 (1.8%) were neutral and 4 (3.5%) disagreed. Many women borrowers have neither the business experience to operate a sound credit management system; (Richardson, 2002).

Table 4.12: Lack of Business Experiences

<table>
<thead>
<tr>
<th></th>
<th>Frequency</th>
<th>Percent</th>
<th>Cumulative Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Strongly agree</td>
<td>59</td>
<td>51.8</td>
<td>51.8</td>
</tr>
<tr>
<td>Agree</td>
<td>49</td>
<td>43.0</td>
<td>94.7</td>
</tr>
<tr>
<td>Neutral</td>
<td>2</td>
<td>1.8</td>
<td>96.5</td>
</tr>
<tr>
<td>Disagree</td>
<td>4</td>
<td>3.5</td>
<td>100.0</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>114</strong></td>
<td><strong>100.0</strong></td>
<td></td>
</tr>
</tbody>
</table>

**Source:** Field data, 2015.
4.5.5 Mismanagement of Resources

Respondents were asked to state whether or not mismanagement of resources affect loan repayment for small merchandise enterprises. The findings presented in Table 4.13 reveals that, 52 (45.6%) of the respondents were neutral on mismanagement of resources. The other categories of respondents 38 (33.3%) agreed, 16 (14%) strongly agreed while 8 (7%) disagreed on mismanagement of resources on loan repayment for small merchandise enterprises. The findings imply that many respondents do not agree that loan repayment problem was caused by mismanagement of resources. The findings from the field neither matches nor rejects the mismanagement of resources. However, in real sense the majority of respondents the mismanagement of resources since majority of respondents were neutral on the fact though more than half of respondents agree and strongly agreed on mismanagement of resources.

The findings confirm the application of credit risk theory on various grounds that there is a reason to believe on the mismanagement of resources. Because review of the loan payment management process is so important, it is a primary supervisory activity; (Koch 2000). Assessing loan management involves evaluating the steps the women entrepreneurs takes to identify and control risk throughout the credit process. The identification and management of risk among groups of loans may be at least as important as the risk inherent in individual loans. For decades, good loan portfolio managers have concentrated most of their effort on prudently approving loans and carefully monitoring loan performance.

Although these activities continue to be mainstays of loan portfolio management, analysis of past credit problems, such as those associated with other allocation of funds in family matters, paying households bills, fees for children and shifting or clearing prior debts.

<table>
<thead>
<tr>
<th>Table 4.13: Mismanagement of Resources</th>
</tr>
</thead>
<tbody>
<tr>
<td>Frequency</td>
</tr>
<tr>
<td>Strongly agree</td>
</tr>
<tr>
<td>Agree</td>
</tr>
<tr>
<td>Neutral</td>
</tr>
<tr>
<td>Disagree</td>
</tr>
<tr>
<td>Total</td>
</tr>
</tbody>
</table>
Source: Field data, 2015.

4.5.6 Unforeseeable Risks
Respondents were asked to state whether or not unforeseeable risks affect loan repayment for small merchandise enterprises. The findings presented in table 4.14 shows that, 76 (66.7%) of the respondents strongly agreed that unforeseeable risks affect loan repayment for small merchandise enterprises. The other categories of respondents 37 (32.5%) agreed while 1(0.9%) disagreed on the unforeseeable risks for affecting loan repayment merchandise enterprises. This implies that good number of women entrepreneurs agreed that they can not foresee risks that were likely to affect their business especially in long term. Respondents were also asked to state other factors resulting in inadequacy loan repayment and majority concluded, poor planning in their business and lack of enough entrepreneurship knowledge.

Table 4.14: Unforeseeable Risks

<table>
<thead>
<tr>
<th>Frequency</th>
<th>Percent</th>
<th>Cumulative Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Strongly agree</td>
<td>76</td>
<td>66.7</td>
</tr>
<tr>
<td>Agree</td>
<td>37</td>
<td>32.5</td>
</tr>
<tr>
<td>Disagree</td>
<td>1</td>
<td>.9</td>
</tr>
<tr>
<td>Total</td>
<td>114</td>
<td>100.0</td>
</tr>
</tbody>
</table>

Source: Field data, 2015.
5.1 Introduction

The chapter provides the conclusion and recommendation based on the study results whose objective was to examine factors for loan management on women merchandise enterprises. The chapter starts with the introduction followed by the summary, conclusion and recommendations. This chapter covers conclusion and policy recommendations based on research findings. It gives the implications of the findings and draws some conclusions which require some recommendations. The chapter finally highlights areas for further researches hence limitation of the study.

5.2 Conclusion

Basing on the discussion it indicates that the factors for loan management on women merchandise enterprises in relation to small merchandise enterprises started earlier. However, still requires increasing attention to the value of more applied research, innovative, relevant processes, regulations frame works, laws, controls and evaluation. The same should consider the local, regional, national, global, microfinance institutions, public and private sectors. Such strategies facilitates through creating linkages between the female entrepreneurs and loan management. In recent decades, there has been significant progress toward the goal of universal women entrepreneurs under microfinance services provisions for women, even while improvements in access have not necessarily been matched by quality of its loan management in the implemented stages.

The findings also revealed the adequacy loan management on women entrepreneurs promote small enterprises in Tanzania. It was explored that financial institutions should be able to mobilize finance, and efficiently allocate to women entrepreneurs on small merchandise enterprises, foster saving culture among entrepreneurs, provide trainings related to business and credit management to entrepreneurs, offer alternative microfinance products such as hire
purchase, leasing and reduce the social distance between entrepreneurs and financial institution’s employees.

Furthermore, the findings revealed that problems facing women entrepreneurs in raising finance and thereby inhibiting sustainability and growth were slow loan processing by financial institutions, loan limit, slow graduation to higher amounts, lack of integrity, over-insistence on collateral, rather than business potential and lack of verifiable business premises. Furthermore and the culture of non-repayment. These findings were in line with studies done by Obamuyi, (2009), Sungusia (2007) and Abdallah (2009) who reported that sources of finance failed to offer finance to entrepreneurs due inadequate record keeping, poor credit worthiness, lack of collateral security and the constraint imposed on banks’ capital by regulation. In addition, lack of policy and regulatory environment, insufficient access to information and weak human and institutional capacity were also reported.

5.3 Recommendations

The study revealed that majority of respondents came from poor families’ background. They have to look for any income generating activities at the same time engage themselves in small merchandise enterprises apart from family matters and other responsibilities. It is widely acknowledged that the factors for loan management on women entrepreneurs under small merchandise enterprises problem strengthens the collective effort of women, microfinance institutions, the government and other stakeholders in enabling female entrepreneurs to demand their rights during loan management hence become more stable in managing their business.

(i) The policy makers will find the gap available to their organisation and take the required measures to set a policy to regulate the business environment so that entrepreneur will be able to obtain higher returns and providing an environment of lowering interest rates and softening conditions of accessing finance from various sources of finance.

(ii) Financial institutions should open more branches especially in remote and rural areas where the majority of the Tanzanian are found. By so doing, more needy Tanzanians will be given funds to establish businesses.
(iii) Proper investigation should be made by financial institutions so that the appropriate financial needs to be given to SSEs are properly analyzed. Government measures to promote SMEs should be carefully focused, aimed at making markets work efficiently and at providing incentives to the private sector to assume an active role in SSE finance.

(iv) The study recommends to micro institution services to extended more small soft loans to as many women as possible, to enable millions of poor Tanzanian’s women pull themselves out of poverty and engage themselves in income generating activities and establishment of small enterprises.

(v) Micro financial institutions should extend its service to rural areas where the majority of poor women communities are living.

(vi) It is further recommended that the government should make attracting environments to investors in micro finance who wish to make such investments in the rural areas where the poor peasants are living to enable them defeat poverty through rural micro finance operations.

(vii) Micro financial institutions should provide training for women merchandise entrepreneurs in order to acquire business skills in relation to loan management.

(viii) Women entrepreneurs should avoid business risks and unforeseen risks in order to manage loan.

(ix) Women entrepreneurs should maintain financial record keeping in order to know their profit and other benefits of acquiring loans.

(x) Women entrepreneurs should not involve other personal expenditures on the acquired loan. For example one may fail to manage the provided loan due to usage of ceremonies, fees payment, buying households stuffs rather than the intended business purpose.

5.5 Areas for Further Research and Limitations of the Study

The study was purely descriptive and only covered women entrepreneurs in Nyamagana district. It is suggested that future researches should cover other parts of Tanzania. Moreover, this study was confined in the urban areas where the there were many financial institutions and non-financial institutions. Therefore, the study recommends for more research in rural areas to see whether it can reveal the same findings as obtained.
REFERENCES


Burns N, Grove SK (2007) Understanding Nursing Research – Building an Evidence-


APPENDIX ONE

QUESTIONNAIRES FOR WOMEN ENTREPRENEURS

SECTION A: PERSONAL INFORMATION OF RESPONDENTS

1. Gender
   - Male
   - Female

2. Age (Years)
   - 18-25
   - 26-35
   - 36-45
   - 46-55
   - 56 and Above

3. For how many years have you engaged as small merchandise entrepreneur?
   - 0-2 years
   - 3-5 years
   - 5-7 years
   - 7-10 years
   - More than 10 years

SECTION B: RESEARCH OBJECTIVES

04. As woman engaged in small merchandise enterprises in Nyamagana District do you have access to loan provided by financial institutions?
   - Yes
   - No

05. If Yes, Which of the following financial institutions provides loan to women entrepreneurs who engaged in small merchandise enterprises Nyamagana District?
   - VICOBA
   - FINCA
   - PRIDE
   - BRAC
06. What are the nature of loan provided to women who engaged in small merchandise enterprises in Nyamagana district?

<table>
<thead>
<tr>
<th>Statement</th>
<th>Strongly disagree</th>
<th>Disagree</th>
<th>Neutral</th>
<th>Agree</th>
<th>Strongly agree</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
<td>5</td>
</tr>
<tr>
<td>Short term loan (1-4 months)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Medium loan (5-12 months)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Long term loan (1-5 years)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>100,000/= to 500,000/=</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>500,000/= to 1,000,000/=</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1,000,000/= to 5,000,000/=</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Other (Please specify)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

07. What ways do you use to manage loan repayment in your business enterprises?

<table>
<thead>
<tr>
<th>Statement</th>
<th>Strongly disagree</th>
<th>Disagree</th>
<th>Neutral</th>
<th>Agree</th>
<th>Strongly agree</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
<td>5</td>
</tr>
<tr>
<td>Ensure good finance record keeping</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>To use capital structure model system</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Good management of debtors</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Other ways (Specify):</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
08. Which of the following factors result for inadequacy loan repayment for small merchandise enterprises?

<table>
<thead>
<tr>
<th>Statement</th>
<th>Strongly disagree</th>
<th>Disagree</th>
<th>Neutral</th>
<th>Agree</th>
<th>Strongly agree</th>
</tr>
</thead>
<tbody>
<tr>
<td>Poor accounting system</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Higher interest rate</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Lack of management skills</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Lack of business experiences</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Mismanagement of resources</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Unforeseeable risks</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Other reasons (Please specify)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

9. What other suggestions can you comment about factors for inadequacy loan repayment for small merchandise enterprises by women entrepreneurs in Nyamagana District?

-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------

Thank You for your
### APPENDIX TWO

**Table 3.13.1: Research Budget**

<table>
<thead>
<tr>
<th>Activities/materials</th>
<th>Cost/ T.sh.</th>
</tr>
</thead>
<tbody>
<tr>
<td>4 Reams of photocopy papers @700/=</td>
<td>28,000/=</td>
</tr>
<tr>
<td>1 flash disk 2GB</td>
<td>25,000/=</td>
</tr>
<tr>
<td>20 pens @200</td>
<td>4,000/=</td>
</tr>
<tr>
<td>1 box containing pencils</td>
<td>1000/=</td>
</tr>
<tr>
<td>10 rulers @200</td>
<td>2,000/=</td>
</tr>
<tr>
<td>3 files @1200</td>
<td>3,600/=</td>
</tr>
<tr>
<td>1 Punching machine</td>
<td>3,000/=</td>
</tr>
<tr>
<td>2 scientific calculators @15,000</td>
<td>30,000/=</td>
</tr>
<tr>
<td>1 box of staple pins</td>
<td>1,500/=</td>
</tr>
<tr>
<td>1 stapler</td>
<td>4,000/=</td>
</tr>
<tr>
<td>Transport cost when visiting supervisors</td>
<td>100,000/=</td>
</tr>
<tr>
<td>Field activities</td>
<td></td>
</tr>
<tr>
<td>Transport in Nyamagana district for research matters</td>
<td>160,000/=</td>
</tr>
<tr>
<td>Meals and water 3000 per day for 5 days</td>
<td>150,000/=</td>
</tr>
<tr>
<td>Allowances to research assistants 6,000x2 personsx30 days</td>
<td>360,000/=</td>
</tr>
<tr>
<td>Photocopying 150 questionnaires @50</td>
<td>5,000/=</td>
</tr>
<tr>
<td>Emergence money</td>
<td>200,000/=</td>
</tr>
<tr>
<td>Sub total</td>
<td>875,000/=</td>
</tr>
<tr>
<td>Report writing</td>
<td></td>
</tr>
<tr>
<td>Meal allowance</td>
<td>300,000/=</td>
</tr>
<tr>
<td>Typing and printing</td>
<td>60,000/=</td>
</tr>
<tr>
<td>Binding 3 copies @ 2500</td>
<td>7,500/=</td>
</tr>
<tr>
<td><strong>Grand total</strong></td>
<td><strong>1,444,000/=</strong></td>
</tr>
</tbody>
</table>

**Source:** Researcher, 2015.
**APPENDIX THREE**

**Figure 3.13.1:** Duration and Schedule of Activities

<table>
<thead>
<tr>
<th>Schedule of activities</th>
<th>2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>Months</td>
<td></td>
</tr>
<tr>
<td>Presenting proposal before the panel</td>
<td>Dec</td>
</tr>
<tr>
<td>Training of one research assistant</td>
<td>Jan</td>
</tr>
<tr>
<td>Questionnaire pre-testing (Pilot study)</td>
<td>Feb</td>
</tr>
<tr>
<td>Data collection</td>
<td>Marc</td>
</tr>
<tr>
<td>Data coding cleaning and editing</td>
<td>Apr</td>
</tr>
<tr>
<td>Data analysis</td>
<td>May</td>
</tr>
<tr>
<td>Dissertation writing</td>
<td>Ju</td>
</tr>
<tr>
<td>Submission of the first draft of thesis</td>
<td>Jul-</td>
</tr>
<tr>
<td>Submission of the final draft of thesis</td>
<td>Au</td>
</tr>
</tbody>
</table>

**Source:** Researcher, 2015.