ASSESSMENT OF THE IMPACT OF INDIVIDUAL LOAN PROVIDED BY COMMERCIAL BANKS TO ENTREPRENEURS:

A CASE STUDY OF SELECTED COMMERCIAL BANKS IN TABORA TOWN

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By

Alex William

A Dissertation Submitted in Partial/Fulfillment of the Requirements for the Degree of Master of Business Administration Corporate Management (MBA-CM) of Mzumbe University

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CERTIFICATION

We the undersigned, certify that we have read and hereby recommend for acceptance by the Mzumbe University, a dissertation entitled **Assessment of the Impact of Individual Loan provided by Commercial Banks to Entrepreneurs: A case study of selected Commercial Banks in Tabora town**, in fulfilment of the requirements for award of the degree of Master of Business Administration Corporate Management (MBA-CM) of Mzumbe University.

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DECLARATION

AND

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I, **Alex William** declare that this dissertation is my own 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……………………………………….

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DEDICATION

I dedicate this work to my family Mr. and Mrs. Ruhigi who have been encouraging and supporting me in every step I made in my education. Also, lovely son and daughters: Enrique Ruhigi, Tanisha Ruhigi, Shamsa Ruhigi as a motivation to have a dream of being in the higher stage of education than me.

LIST OF ABBREVIATIONS

ATM	Automated Teller Machine
BoT	Bank of Tanzania
CRDB	Cooperative Rural Development Bank
DTB	Diamond Trust Bank
FINCA	Foundation for International Community Assistance
MBA-CM	Master of Business Administration Corporate Management
MFI	Microfinance Institution
NBC	National Bank of Commerce
NMB	National Microfinance Bank
SACCOS	Saving and Credit Co-Operative Society
SMEs	Small and Medium Size Enterprises
SOB	School of Business
SPSS	Statistical Package for the Social Science
TBA	Tanzania Bankers Association
URT	United Republic of Tanzania

ABSTRACT

Shortage of access to finance has been identified as one of the major constraints of small business growth. One of the alternative way to solve this problem of capital, are loans access from financial institutions. This work was intended to find out the impact of the individual loan to entrepreneurs in Tabora town. The specific objectives were to find out how loans provided by commercial banks were used by the entrepreneurs, to examine the business performance after loan utilization, to assess the outcome of the loan amount provided to entrepreneurs.

The research employed case study design. The study used 91 respondents who are loan beneficiaries from commercial banks. It employed probability sampling, primary data were collected using questionnaires and observations, and documentary review for secondary data. Data were analyzed by using SPSS.

The result findings revealed that most of the respondents who obtained loans from commercial banks in Tabora town agreed loan had brought positive changes in their business performance, expanded and improved their entrepreneurial activities, and non-generating income activities, profit increased, employments were created, household poverty level decreased, economic position was raised and others.

The study concluded that the role of commercial banks toward entrepreneur’s success is absolutely important because there are positive effects on performance of their business in terms of sales revenues, physical assets, and financial assets among others.

It was recommended that, commercial banks should provide fair loan amounts by looking monthly sales and other entrepreneur's incomes, commercial bank should provide management training to entrepreneurs before providing loans, entrepreneurs should seek business knowledge from training institution and others, and loan should beutilized for business purpose and not for other uses.

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INTRODUCTION AND PROBLEM SETTING

1.1 Introduction

This introductory chapter, it covers the background of the problem, statement of the problem, research objectives, and research questions, limitations of the study, and significance of the study.

1.2 Background of the study

The Government of Tanzania has been familiarizing several actions for economic development through fiscal and monetary policies. One of the efforts was the formation of the Banking and Financial Institutions Act of 1991, which reintroducing competitive banking that was abolished in 1967. The Act provided the framework for liberalization of the banking system to increase efficiency in the delivery of financial services through competition in interest rates, elimination of administrative credit allocation, permitting the entry of both local and foreign banks in the market and reinforce the Bank of Tanzania's role in regulating and controlling financial institutions. (BoT, 1994).

According to URT (2011), the Act permitted admission of foreign and local private banks in the market. Some of the early members of the banking system were: Meridian Biao Bank Tanzania Limited (1992), which was later taken over by Stanbic Bank Tanzania Limited (1995), Standard Chartered Bank Tanzania Limited (1993), Eurafrican Bank Tanzania Limited (1994), and Citibank Tanzania Limited (1995). The local commercial banks with emerged after financial reform include Tanzania Postal Bank (TPB), Exim Bank, Diamond Trust Bank (DTB), African Development Bank, National Bank of Commerce (NBC), Access Bank, Corporative Rural Development Bank (CRDB), National Microfinance Bank (NMB), Advans Bank, Twiga Bancorp just to mention a few. The emergence of commercial banks were geared by the Banking and Financial Institutional Act, of 2006 under section 24 (1) which state that "A licensed bank or financial institution may engage in any or all of the following activities, directly or through a separately incorporated subsidiary as determined by the Bank, subject to any limitation in the license issued to such bank or financial institution:- (a) acceptance of deposits; (b) lending; (c) financial leasing; (d) money transmission services; (e) issuing and administering means of payment including, but not limited to credit cards, travellers' cheques and bankers' drafts; (f) guarantees and commitments just to mention a few.

Those banks play a key role in the development of an economy through provision of financial services include deposit and lending. Bank lending is guided by credit policies/manuals which are guidelines and procedures put in place to ensure smooth lending operations. Bank lending if not properly assessed, involves the risk that the borrower will not be able or willing to honour their obligations (Bennet 1984). In order to lend, banks accept deposits from the people/companies/firms against which they provide loans and another form of advances. Since they bear a cost for carrying these deposits, banks carry out borrowing activities in order to generate revenue. The major foundations of revenue by commercial banks are including margins, interests, fees, and commissions (Odongo, 2004).

According to Asantey & Tengey (2004), Commercial banks and their sustainable growth are undoubtedly relevant to industrial development. This is due to the reason that the banking sector is among the very few sectors that contribute to economic growth in various magnitudes. First, we see commercial banks contributing to economic growth by paying taxes and creating employment. Furthermore, commercial banks createa room of the growth of other sectors by giving them access to loan facilities in the form of an individual loan. Moreover, abundant empirical evidence occurs on the impact of commercial banks to financing specific firms and sectors.

A commercial bank is one of the financial segments which, are the main source of capital to business activities as well as other development projects throughout the country. For this reason, the performance of entrepreneur activities depends a lot on financial institutions support.

Therefore, the government in association with stakeholders have introduced policies that enable entrepreneurs/small businesses to access credit from commercial banks.

All commercial banks were engaged in the provision of loans to its customers by introducing different kinds of loan products. An example of loans being offered by commercial banks are the loans to public and private workers, loan to pensionable, groups lending, individual lending, agriculture loan just to mention a few. However, groups and individual lending are being offered to entrepreneurs in order to improve and expand their business. The question that is of interest is how these banks have contributed to the growth of entrepreneurship, with a specific emphasis of Tabora town. Commercial banks which are available in Tabora town are TPB, CRDB, Exim Bank, Access Bank, NMB, NBC, and DTB which are involved in the process of growth and develop entrepreneurs through the provision of serving services, money transaction and individual lending. These commercial banks have the greatest explicit orientation towards microfinance. They have well-defined strategies to expand their operations in this market (Randhawa and Gallardo J, 2003).

The introduction of commercial banks in Tabora town is seen as the best alternative source of capital for low-income earners and their entrepreneurial activities as a means to raise their income, later reducing their poverty level and contributing to developing the economy of Tabora town. Also, they provide other services like serving, ATM service, enable transaction between local banks and outside banks, mobile banking service, filling float to Mpesa, Airtel money, and Tigopesa agents. According to Rawlin et al. (2012), the principal aim of any business is to make profits. That is why any asset created in the operation of business should generate income and profit for the business. Since this matter is relevant to the banking sector business, banks should give attention to the management of loans since lending is the focal business of commercial banks and loan is normally the main assets and vital source of revenue for the commercial banks (Daniel and Wandera, 2013).

In previous time Tabora town has few commercial banks that are NBC, NMB, and CRDB which mostly do grant loans and advances to individuals, business organizations as well as government in order to allow it operates on investment and development activities as a mean of contributing to the economic development of a country and aiding their growth in particular. Later on, they introduced loan to big entrepreneurs which have huge capital and they offered an amount of ten million (10,000,000/-) and above. And the collateral that suitable to be pledge is unmovable (mortgage). After the emergency of other hungry commercial banks like TPB, DTB, Access Bank, and Exim Bank they disturb the monopoly of the provision of loan just because these banks like Access bank and TPB are providing loans to low-income earners an amount starts from 1 million. Also, they need collateral like mortgage surveyed or unsurveyed, car card and other.

This has forced other commercial banks to amend their policies and started to offer loan to small and micro scale entrepreneurs. Also, loan officers they do not wait for clients to come to the bank, but they have to go down the street for searching new potential customers which will lead to increase loan portfolio and win completion from other commercial banks.

Entrepreneurship plays a significant role around the world. It considered one of the primary driving forces in economic progress. Entrepreneurship stimulates entrepreneurial skills, the greater likelihood that will use labor-intensive technologies and this have an immediate impact on employment generation; they can typically be established quickly and put into action to generate quick earnings. Tanzania similar to other countries, entrepreneurship play a significant part in the process of industrialization and economic development by significantly contributing to job creation, income generation and catalyzing development in urban and rural areas (Olutunla, 2008).

According to Lawson (2007), lack of access to finance has been identified as one of the major constraints to small business growth. The performance of entrepreneurs depends much on commercial banks support. Hence, governments of Tanzania through The Banking and Financial Institution Act of 2006 enacted policies that allow entrepreneurs to access loan from commercial banks.

Commercial banks provide individual loan and group loan. Group loan commercial bank do not ask any collateral, but the member of the groups guarantee themselves in a case of any default they have to pay back the monthly installments. The individual loan needs collateral which is non-removable to act as a security in case of any default, thus why commercial banks usually demand collateral security before disbursing loans for business purpose. Parker (2006) argued that this is the necessary factor in obtaining the loan as collateral serves as a guarantee for recovering loans given out by the commercial bank in case of any repayment default.

The Tanzania Investment Act, 1997, requires any business of any size in Tanzania, prior to operation, to obtain a business license, a process that meant to ensure that the proposed business will, take place in authorized areas. On-premises at which the authorities can reach the entrepreneur for inspection and at which legal standards of safety, hygiene, employment, and production are respected. Most of the entrepreneurial activities fall under the informal sector which characterized with no registration, low knowledge of serving, low knowledge of using financial assistance from commercial banks, and misusing of the fund. Also, entrepreneurs do not own suitable collateral like mortgage, which is a survey and given a document as an evidence that he/she is an owner. Kimathi (2009) emphasize that small businesses are held back by tough local conditions some of them are unable to raise huge collateral demanded by banks as a condition to access loans.

Due to that factor bank do not give the amount more that 30 million if they if he /she do not have a title deed. Another challenge that faces entrepreneurs in Tabora is the availability of guarantors when an entrepreneur does not have collateral. Due to the level of trust decrease, people fear that when he/she will act as a guarantor in case of default of loan he/she must pay the debt. Dellien et al (2005), under individual lending loan officers, bear principal responsibility for loan decision, they screen and monitor their clients as well as come up with mechanisms of enforcing repayment.

Due to the process of loan decision which involve home and business visit and disbursement, there are some loan officers want some money from entrepreneurs in order to approve the loan, fail to do that can lead the loan to be canceled or given a small amount of loan compare to that requested.

However, commercial banks intended to promote entrepreneurs through the provision of a loan, the loan which was received by entrepreneurs cause them to increase business asset, provide employment, children sent to school and other. Also, on another hand, loan lead entrepreneurs to have a multi loan from other banks, become a cheater, lost their mortgages, run away from their family, and other. This study intended to assess the impact of the loan provided individually to entrepreneurs in Tabora town if they benefit from that loan from commercial banks or the loan brought more destruction to them.

1.3 Statement of the problem

Entrepreneurship serves as a source of livelihood to different societies in Tanzania through the creation of employment opportunities, generation of income and contribution to economic growth. The problem of business capital in Tanzania is seening as an important aspect of entrepreneurial activities. Lack of access to finance has been identified as one of the major constraints of small business growth (Cook &Nixson 2000). Entrepreneurs suffer a great deal to obtain capital for development and expansion of the economic survival of his/her family and the country.

One of the alternative way to solve this problem of capital, are loans (debt financing) access from financial institutions. Commercial banks (CRDB, NBC, TPB, Access bank) are among the financial institutions operating in the country, providing loan/ credit to entrepreneurs in Tabora town. Commercial banks constitute the anchor of the growth of other sectors by providing them access credit facilities in the form of loans

(Asantey &Tengey, 2014). Commercial banks are the major source of capital through loan/credit provided to entrepreneurs.

Despite commercial banks, the significant contribution towards entrepreneurs in Tabora town other has benefited from taking loans and others suffered from it. Very few have been researching about the impacts of the individual loan from commercial banks.

This study/ research work was intended to find out the impact of the individual loan to entrepreneurs in Tabora town. The result of the findings from this study will be of value use to development planners and policy makers in Tabora and elsewhere in Tanzania as well as abroad where the similar problem will be faced.

1.4 Objectives of the study

1.4.1 General objective

The main objective of the study is to assess the impact of the individual loan provided by commercial banks to entrepreneurs.

1.4.2 Specific objective

i. To find out how loans provided by financial institutions are utilized by the entrepreneurs.
ii. To examine the business performance after loan utilization.
iii. To assess the outcome of the loan amount provided to entrepreneurs.

1.4.3 Research questions

i. How do entrepreneurs utilize loans?
ii. What is the business performance after loan utilization?
iii. What are the outcomes of the loans provided to entrepreneurs?

1.5 Significance of the study

i. The information that will be obtained from this study will serve the banks to understand the effects of their loan to entrepreneurs. Therefore, the findings from this study will help to minimize the negative impact while increasing the positive impact for entrepreneurs.

ii. The study will also be significant to the government to plan and develop strategies that will save the bank welfare and increase the standard living to entrepreneurs.

iii. The study will provide a direction for any other student that will be interested in doing research concerning personal loan provided by commercial banks and other microfinance.

iv. The study will provide awareness to the entrepreneur on how to acquire a individual loan to the commercial bank and how to use that loan in order to reduce its negative impact.

1.6 Organization of the dissertation

The dissertation was organized into five chapters; Chapter one provides background to the study, a statement of the problem, objectives of the study, research question, and significance of the study and limitation of the study. Chapter two presents literature reviews: theoretical literature review, empirical literature review, and final conceptual framework. Chapter three describes research methodology. Chapter four gives a detail presentation, analysis and discussion of research findings and Chapter five presents summary, conclusions, and recommendations.

CHAPTER TWO

LITERATURE REVIEW

2.1 Introduction

This chapter reviews the literature from various studies that are related to this study in hand. It explores through different written sources so as to get an understanding and experience from other places through works of other scholars.

2.2. Theoretical literature review

2.2.1 Development of financial institutions

In 1991 the Government of Tanzania initiated financial sector reforms to create an effective and efficient financial system according to the former governor of the Bank of Tanzania (Rutihinda, 1993). The principal elements of the financial sector reform included liberalization of interest rates, elimination of administrative credit and foreign exchange allocation, strengthening of the BoT's role in regulating and supervising financial institutions, restructuring of state-owned financial institutions, and allowing entry of private banks both local and foreign (Moshi, 2011). As of now, the country has 36 licensed commercial banks[1]and 18 licensed financial institutions[2]operating in Tanzania compared to only seven (7) banks existing in 1991 (TBA report, 2008).

Further, the reforms aimed at developing a competitive, well-diversified, autonomous, solvent and sound banking system capable of supporting economic development (Rutihinda, 1993). One of the objectives of the reforms was to achieve banking sector efficiency that would support the country's economic development efforts through increased deposits mobilization and enhanced lending (Brownbridge and Gayi, 1998).

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[1]http://www.bot-tz.org/BankingSupervision/RegisteredBanks.asp *(accessed on 09.01 2016)*

[2]https://www.bot-tz.org/BankingSupervision/financialInsitutions.pdf *(accessed on 09.01 2016)*

Despite the proliferation of banking institutions and the wide range of banking products and services, it seems very little attention has been paid to help small and medium enterprises (SMEs) capital enhancement and growth (BoT, 2006). According to Kashuliza et al., (1998), the evidence showed the formal financial institutions find it difficult to deal with small and medium enterprises because of the lack of collateral, high incidence of defaults and high transactions costs associated with issuing of small credits. Due to this, entrepreneurs face a discouraging problem whereby little have access to regulated commercial banks saving products and credit associations, investment funds. The level of provision of bank services to the small business sector and other related sectors largely depends on the state of the financial system. Existing evidence suggests that despite the financial sector in Tanzania undergoing various development phases, growing small businesses are still constrained in terms of credit accessibility (Satta, 2002).

Furthermore according to the study done by Temu (1998) on the financing sources to small businesses found that only 36% of them have made attempts for credit application from financial institutions. Out of this only 9.5 % managed to get a loan from financial institutions.

2.2.2 Overview of bank loans and lending

A commercial bank is a stock institution that is somewhat unrestricted in its capacity to make commercial credits and that is basically permitted to issue checking customer's accounts. Commercial banks are the most important of all depository institution (Miller & VanHoose, 1993).

Commercial bank has different responsibilities which are running daily to daily like providing financial services to its customers, for example accepting deposit, fixed deposit, saving deposits, advancing of loan, agency function like transfer of fund through the Western Union and other, collection and payment of various issues like salaries, purchase and sale of foreign exchange for example US dollar, UK pound and other of such nature.

But the key function is to provide a loan to the business unit.

Commercial banks collect money from those who have surplus cash and advance it to others who need credit for a different purpose. Therefore, commercial banks' intermediary role plays an essential role in the trade and industry activity. Banks accept customer deposits and use those funds to give loans to other customers or invest in other assets that will yield a return higher than the amount bank pays the depositor (McCarthy et al., 2010). It follows that clients' deposit is the crucial basis of commercial bank loan and hence, increasing or assuring deposits directly has a positive result on lending. Therefore, a commercial bank loan is the most important basis of available debt financing for most clients whereas decent credits are very great profitable assets for commercial banks.

The borrower firstly obtains an amount of money from the moneylender to pays back, but occasionally not constantly in regular installments, to the lender. This service is normally delivered at a charge, known as the interest rate on the debt. As one of the principal duties of a commercial bank is to provide credit, it is naturally the central source of income to commercial banks. Besides, bank loans and credit also constitute one of the ways of increasing money supply in the economy (Felix and Claudine, 2008).

2.2.3 Individual lending

Individual borrowing is a simple free process of obtaining private finance with minimal documentation and within a short period of time. The bank will require the borrower's documents regarding the proof of identity, residence along with income proof of last 2 years to initiate the process for loan sanction (Vinayagamoorth & Somasundaram, 2013). According to Ledgerwood (1999), individual lending is the provision of credit to individuals who are not members of a group that is jointly responsible for loan repayment. This model provides loan access to individual borrowers who are carefully chosen on an individual, optional basis and habitually have at least small form of fixed assets or income. Every loan is exactly custom-made to the individual and firm involved.

This method tends to work well once used with the town and countryside entrepreneurs since collateral as a loan security is usually compulsory. The loan client who has a decent relationship with the commercial bank over and over again results in continual businesses with a commercial bank for a long period of a time. Loan clients who continue receive loans shall base on previous payment performance, credit histories, the viability of business patterns, and references. To inspire good repayment, loan clients provide collateral as security and guarantors. Nevertheless, the problem of lack of asset collateral which acts as security still remains unresolved in the case of individual lending.

Morduch & De Aghion (2000), effective individual lending models across the world have the following characteristics: guarantees of loans by a co-signer or through collateral, fitting loan size to business needs, increasing loan size over time, screening of borrowers by credit check/character reference, average loan amount larger than group loans, frequent, close personal relationship with individual clients ,close contact with individual clients, long period of time spent with individual clients, loans largely for production.

In individual lending, loan clients rather than group loan are personally responsible for the full and timely repayment of loan installments. The screening of potential loan clients carried out by assessing their individual loan repayment capacity and their readiness to repay. Innovative micro lenders examine the household's cash flow and check the loan history of the loan applicant to get a complete picture of his/her loan repayment capacity and creditworthiness (Maiangwa, 2012)

2.2.3.1 Advantages of individual lending

The advantages of individual lending include:

i. Better client knowledge from individual lending simplifies the appraisal of repeat loans and reduces the risk of loan default. Accumulated client information may reinforce current financial services and lead to the development of new loan products (Klein *et al*., 1999).

ii. Under individual lending, borrowers are exempt from the negative effects of group lending schemes such as bearing additional risk, loss of privacy from disclosing their financial situation and investment projects to potential peers, or time spent on group meetings (Lehner, 2008).
iii. By offering individual loans, a microfinance institution can attract relatively more new clients (Gine and Karlan, 2006).
iv. Businesses funded with individual loans grow more than those funded with group loans (Madajewicz, 2008).
v. Some micro lenders attempt over time to introduce more individualized lending terms for the members of joint liability groups. These initiatives combine the cost savings of working with groups with the high quality of providing individual lending services to group members (Klein *et al*., 1999).

2.2.3.2 Disadvantages of individual lending

The disadvantages of individual lending include:

i. In individual lending, a lower number of clients is served (Maiangwa, 2012).
ii. Although individual lenders employ both conventional guarantees and loan collateral substitutes, the minimum guarantee requirements may still remain beyond the capacity of most low-income households (Klein *et al*., 1999).
iii. The process of collecting detailed information on individual clients is a costly exercise for micro lenders (Maiangwa, 2012).
iv. In individual-based lending arrangements, the amount of finance available is limited (Saito *et al*., 1994).

2.2.4 Concept of entrepreneurship

Hisrich (2005) has argued that entrepreneurship is increasingly recognized as an important driver of economic growth, productivity, innovation and employment, and it is widely accepted as a key aspect of economic dynamism. Transforming ideas into economic opportunities is the decisive issue of entrepreneurship**.**

History shows that economic progress has been significantly advanced by pragmatic people who are entrepreneurial and innovative, able to exploit opportunities and willing to take risks.

The role of entrepreneurship and an entrepreneurial culture in economic and social development has often been underestimated. Over the years, however, it has become increasingly apparent that entrepreneurship indeed contributes to economic development**.** Nevertheless, the significant numbers of enterprises were owned by men (Mwatima, 2006).

[3]To some economists, the entrepreneur is one who is willing to bear the risk of a new venture if there is a significant chance for profit. Others emphasize the entrepreneur's role as an innovator who markets his innovation. Still other economists say that entrepreneurs develop new goods or processes that the market demands and are not currently being supplied. In the 20th century, economist Joseph Schumpeter (1883-1950) focused on how the entrepreneur's drive for innovation and improvement creates upheaval and change. Schumpeter viewed entrepreneurship as a force of "creative destruction." The entrepreneur carries out "new combinations," thereby helping render old industries obsolete. Established ways of doing business are destroyed by the creation of new and better ways to do them. (Bygrave, 1989)

Different authors have defined entrepreneurship differently depending on their thought but still there are few common elements among authors. Kilby (1971) defined entrepreneurship on three essential attributes. First is the ability to perceive potentially profitable business opportunities. Second is the willingness to act on what is perceived. Third is the necessary organizing ability to align all available resources into a profitable combination with a profit generating potential. Entrepreneurship runs in the environment mostly influenced by government policies and regulations.

[3] *http://www.ait.org.tw/infousa/zhtw/PUBS/Entrepreneurship/part_01.pdf*

Economists in today’s world have agreed entrepreneurship is an essential aspect of inspiring economic development and creation of employment opportunities in the societies. In the developing countries, successful of small businesses are the major source of income growth, job creation, and reduction poverty. For that reason, government and other stakeholders support to entrepreneurship is a vital strategy for economic growth.

The perceptions entrepreneurship and entrepreneurs have been well-defined by a number of scholars, all combined and provided additional or less the similar argument in describing entrepreneurship and entrepreneurs. The greatest important meaning of the word “entrepreneur” its spirit of innovative behavior that it lies in the awareness and utilization of different opportunities. Entrepreneurship growth involves the combination of the method of production, a new product venture, source raw/ made materials, market, and organization (Schumpeter, 1934).

Entrepreneurship is the process of creating something different with value by devoting the necessary time and efforts, assuming the accompanying financial, psychic and social risks and receiving rewards of monetary and personal satisfaction and independence (Hisrich and Peters, 2002). Entrepreneurship is dealing with the discovery of profitable opportunities and manipulations and the business that encourage this are those which are risk takers, committed to innovation and are proactive in creating opportunities rather than waiting to respond to opportunities created by others and that an entrepreneur is someone who through creativity, innovation foresight, and discovery can identify commercial opportunities around him or her, someone practical who sees and exploits opportunities for making income successfully. This includes the self-employed people, small business owners, and those people embarking on setting up their own business, investors, artists, authors and inventors (Moshi, 2011).

Entrepreneurship involves the process of recognizing opportunities and the development of new ventures, there has been diversity of different definitions of entrepreneurship but the general consensus is that entrepreneurship involves a transformative process of social and market change that is undertaken and creates value for individuals and for society, the process that follows the formula with the progression from opportunity identification through to realizing value (Stokes and Wilson , 2002).

An entrepreneur is someone who intentionally moves economic resources from an area of lower productivity to an area of higher productivity and great yield. (Stokes and Wilson, 2002). Druker (1986) contended that an entrepreneur is someone who always searches for change, responds to it and exploits it as an opportunity.

Also, entrepreneurship is the competitive behavior that drives the market process, it manifest ability and willingness of individuals on their own, in teams, within and outside organizations to receive and create new economic opportunities and to introduce their ideas in the market in the face of uncertainty and other obstacles by making decision on location form and the use of resources and institutions (Stokes and Wilson, 2002).

2.2.4.1 Characteristics of entrepreneurship

Most researchers support the following to be the characteristics of entrepreneurship success, personal characteristics in making of decent choices about a business to pursue, commitment and determination (decisive tenacious, discipline, willingness to sacrifice and able to immerse totally to enterprise), leadership (self-starters team builders, superior learners and teachers), opportunity obsession, tolerance of risk, ambiguity and uncertainty (they are calculated risk takers, risk minimizer, tolerant to stress and able to resolve problem), creativity, self-reliant and ability to adapt ,open minded, restless with status-quo, able to learn quickly, highly adaptable, creative and skilled conceptualizing),motivation to excel (they have clear results orientation) set high but realistic goals, have own weakness and strengths and focus on what can be done rather than the reason that things can be done (Bateman and Snell, 1999)**.**

Individual could become rich fast and enjoy a lot of leisure time, money supply and the increase in loan access to enable large figure of people to secure funds to use in business formation and the vice versa of this leads to the development of the business. Accordingly, local government officials have the role in promoting small business formulation in their regions (Bateman and Snell, 1999).

An entrepreneur takes initiatives, organizes some social – economic mechanisms and accepts the risks and failures (Shapero, 1975). An entrepreneur always searches for change, responds to it and exploits it as an opportunity (Drucker, 1984).

Many people want to be entrepreneurs, the economy wants more entrepreneurs to secure the future and yet most people who want to do it never do, an individual to be entrepreneur is merely a decision and everything that one can see around the company that he/she works for or even company that one has ever bought something from, was created by entrepreneur with a dream, a vision. Criteria for success totally belong to one as an entrepreneur (Millan, 2006).

Entrepreneurial behavior is opportunistic, value driven, value adding, risk accepting creative activities (Bird, 1989) Individuals who have entrepreneurial orientation are dominated by the tendencies of allowing independent actions, innovating, being proactive, taking the risk and being competitively aggressive (Bateman and Snell, 1999).

African entrepreneurs are characterized by a lack of skills, education and capital, gender imbalances, gender stereotype and cultural practices that denied the opportunity to inhibit property (Mwatima, 2006). Entrepreneurship specialist has resorted to draining up lists of qualities of functions which typify entrepreneur, these characteristics include the following innovative, opportunistic, ideas people, proactive, imaginative, and change makers. There are other related personality traits associated with entrepreneurship which is a proactive approach, self-motivation, tolerance of uncertainty and ambiguity, opportunistic behavior, creative, visionary, manipulative, impatient, energetic and charismatic (Stokes and Wilson 2002).

Other research literature mentions socio-economic background factors of age, ethnic origin, marital status and education that they are considered to influence propensity to start a business they argue that middle-aged people have money and energy and are willing to change their life; young people may have energy but may not have money. On the other hand, old people may have money but lacks energy and are unwilling to change their life. Thus, characteristics of entrepreneurs differ accordingly. For Marital status factor, self-employment is much lower for single persons than married ones.

The successful entrepreneurship is built with four building blocks which are entrepreneurship management behaviour which encompasses opportunity identification, resource leveraging, networking and decision-making. The second block is technical skills which encompass product or service knowledge and market/industry understanding. The third block is management competencies in financing, marketing, and human relations; the fourth block is personal attributes in innovation, external focus, determinations and team leader. The combination of personal attributes and entrepreneurial management behaviour is the one which marks the difference between successful and the also runs entrepreneurs (Stokes and Wilson 2002).

2.2.4.2 The benefits of entrepreneurship

It is abundantly clear that entrepreneurship is important for economic growth, productivity, innovation and employment, and many countries have made entrepreneurship explicit policy priority. Entrepreneurial activities have been recognized as an important element in organizational and economic development, performance and wealth creation (Wube, 2010). According to World Bank (2007), Fox (2001) and Hisrich (2005) entrepreneurship has the following benefits.

i. Entrepreneurs are their own bosses. They make the decisions. They choose whom to do business with and what work they will do. They decide what hours to work, as well as what to pay and whether to take vacations.
ii. Entrepreneurship offers a greater possibility of achieving significant financial rewards than working for someone else.

iii. It provides the ability to be involved in the total operation of the business, from concept to design and creation, from sales to business operations and customer response.
iv. It offers the prestige of being the person in charge.
v. It gives an individual the opportunity to build equity, which can be kept, sold, or passed on to the next generation.
vi. Entrepreneurship creates an opportunity for a person to make a contribution. Most new entrepreneurs help the local economy. A few through their innovations contribute to society as a whole.
vii. It is a catalyst for economic change and growth. Entrepreneurship increase per capita output and income. By doing so it involves initiating and constituting a change in the structure of business and society. As a result, entrepreneurship contributes a lot in increasing countries output and productivity.
viii. Entrepreneurship encourages innovation and creativity. It develops new products or service for the market to fulfill human needs. It also stimulates investment interest in the new ventures being created. Entrepreneurship through its process of innovation creates a new investment of new ventures. More ventures being created, new jobs will be produced thus, reduce the unemployment rate. That will create and promote wealth distribution

So, entrepreneurs help the economy by creating wealth for many individuals seeking business opportunities. Although this is not the number one reason individuals pursue entrepreneur activities, it plays a major role in our economy. Both a new business and the wealth the owner can obtain will help boost the economy by providing new products as well as the spending power created for the entrepreneur (Wube 2010).

2.2.5 The role of financial institutions in financing entrepreneurs

In Tanzania, the main commercial banks serving entrepreneurs include Akiba Commercial Bank, Tanzania Postal Bank, CRDB Bank and National Micro Finance Bank. (Satta, 2002). These banks have the most explicit orientation towards microfinance. They have well-defined strategies to expand their operations in this market (Randhawa and Gallardo, 2003).

Moshi (2011), commercial banks are very important for serving this segment because they have a wide branch network that can reach most micro-enterprises. They also operate accounts, which make it possible to monitor their clients closely. Although there are limitations that commercial bank encountered for example; most of them are located in urban areas thus making it difficult to provide services to those enterprises located in rural areas. Other limitations of commercial bank lending to the entrepreneurship sector in Tanzania are the lack of appropriate savings instruments to mobilize savings to the entrepreneurs and the restrictions on withdrawals, which discourages savers who would like frequent access to their savings. Their location away from many enterprises also implies high transaction costs (National Microfinance Policy, 2000).

2.3 Empirical Literature Review

2.3.1 Empirical Studies in Tanzania

Cooper (2014), she explored the effects of microfinance on the success of female entrepreneurs in Tanzania. Her work first looks at the political and economic transitions of Sub-Saharan Africa during the decolonization period. She discussed the use of socialist policies and the impact they had on the Tanzanian economy, leaving it impoverished to this day. Next, she examined two specific components of microfinance, membership in a Savings and Credit Co-Operative Society (SACCOS) and receipt of a microloan, which are current methods to alleviate poverty in Tanzania. She shows that microfinance has a positive effect on entrepreneurs, suggesting that heightened efforts of efficient implementation would benefit the Tanzanian economy.

Terry (2006), conducted a study in Temeke district, Dar es Salaam in “Assessing the Impact of Microfinance on women entrepreneurs” revealed that the majority of the women experienced positive change in their lives through Microfinance loans offered by FINCA Tanzania. Nevertheless, some women entrepreneurs experienced hardships associated with loans and lack of economic opportunities due to the deep-rooted traditions and cultural barriers.

Madole (2013),shows that collateral, age or experience of the SMEs owners, and the size of the firm influence the access of credit. The study concluded most of the small businesses depend on a bank loan for business capital growth. Bank loan especially NMB loan plays a very crucial role to promote small business growth.

Moshi (2011),confirmed that the role of financial institutions toward SMEs success is a vitally important. He notified the affection on business performance resulted to repayment of the loan still some beneficiaries benefited from loan once acquired for example according to the results in the field some of the SMEs interviewed concluded that there are positive changes in terms of sales revenues, physical assets, financial assets and market coverage. The researcher concludes that factors influence SMEs in deciding sources of finances vary from working capital, investment to starting up activities these factors assist in deciding nature of the source of finance to SMEs. A result of this study showed that most of SME financing source come from retained earnings (self-financing) and followed by microfinance institutions and SACCOS.

2.3.2 Empirical Studies outside Tanzania

Wang (2013), shows that microfinance plays a crucial role in the revenue and profit growth of SMEs. The researcher then reveals that the SMEs with higher financial risk and lower level of productivity are more likely the firms to seek microfinance. Also finds that firm characteristics including product innovation efforts and managerial and entrepreneurial attitudes are the keys that determine the likelihood of receiving micro-financing.

Mosley (1999)**,** microfinance makes a considerable contribution to the reduction of poverty through its impact on income and also has a positive impact on asset level. But the mechanism through which poverty reduction works varies between institutions. Generally, institutions that give, on average, smaller loans reduce poverty much more by lifting borrowers above the poverty line, whereas institutions giving larger loans reduce it much more by expanding the demand for labour amongst poor people.

Fatchamps (1997), argues that with insufficient funds, farmers and fishers cannot invest in new equipment and machinery, and it becomes difficult to reach out to new markets and products. He further contends that without financial assistance, small farmers and artisanal fishermen cannot cope with temporary cash flow problems, and are thus slowed down in their desire to innovate and expand. The general perception is that access to external finance is critical for poor entrepreneurs, who may never have funds proportional to their ambitions.

Nichols, (2004), used a case study approach to investigate the impact of microfinance on the lives of the poor in the rural China and found that the participation of poor in MFI program had led to the positive impact in their life. Their income has increased, spending on educational and health have increased hence improved their standard of living and also women have benefited out of this program. There was a visible sign of higher wealth level within the village.

Coleman (1999), also finds little evidence of an impact on the program participants. The results, Coleman further explains, are consistent with Adams and von Pischke's assertion that "debt is not an effective tool for helping poorest people enhance their economic condition" and that the poor are poor because of reasons other than lack of access to credit.

Silas (2011), found out the importance of trading activities sustained by the bank loan to the traders, to the neighboring population and to the State. After financing their activities by the bank loan, traders increase their capital, expand and progress their businesses and services leading to the increase of economic growth and development of their households. Moreover, there is an improvement of their living standards.

2.4 Conceptual Framework and Research Model

2.4.1 Conceptual Framework

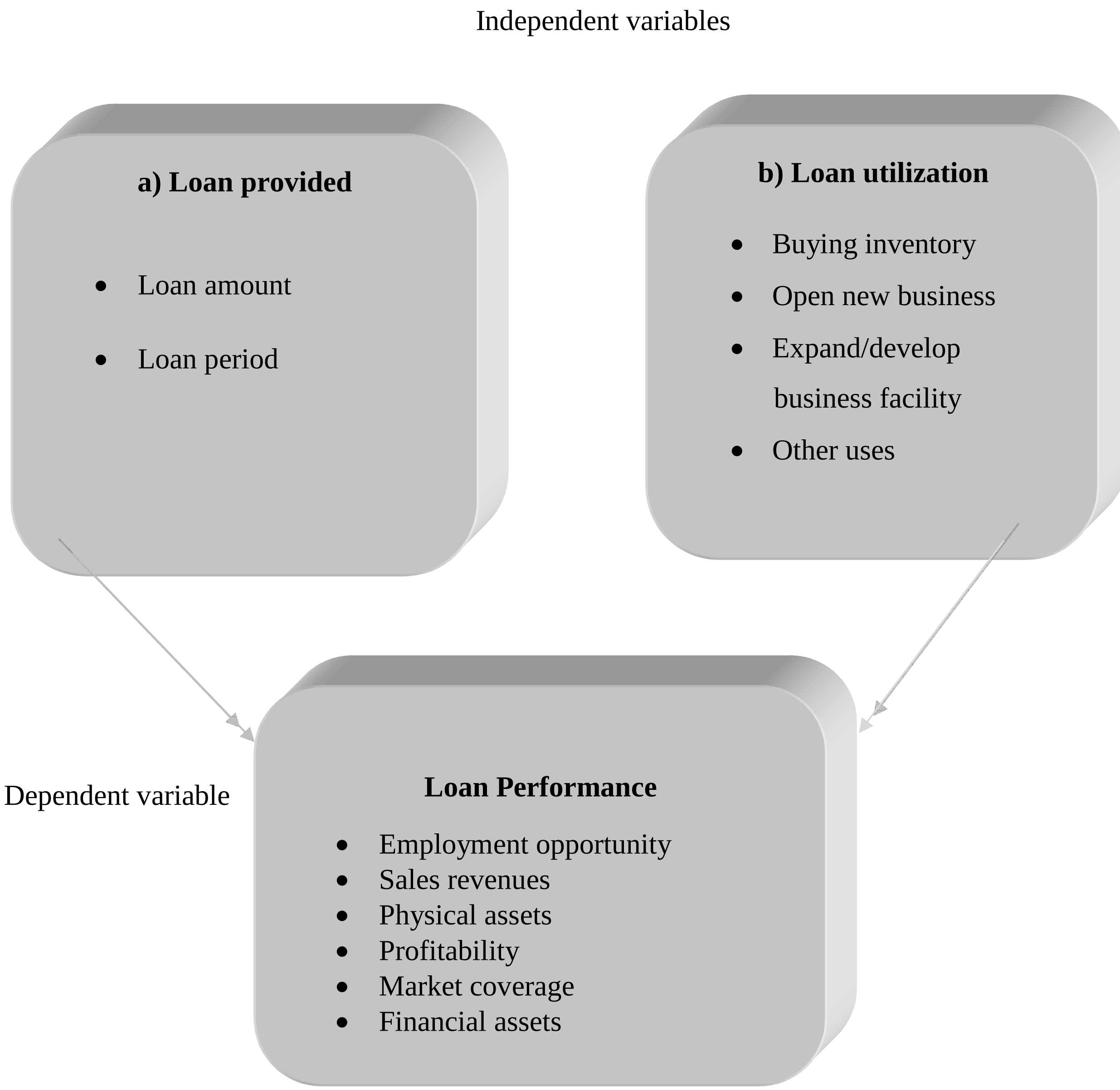
A conceptual framework is a research tool for developing awareness and understanding of the situation under scrutiny and to communicate it. It assists a researcher to make meaning of subsequent findings (Guba and Lincoln, 1989). A conceptual framework explains the possible connection between the variables and answers the why questions (Smyth, 2004). The aim of this study is to assess the impact of the individual loan provided by commercial banks to entrepreneurs, a case study of selected commercial banks in Tabora town.

This section presents a framework for assessment based on two independent variables:

i) Loan provided
ii) Loan utilization

While dependent variable is Loan Performance.

Figure 2.1 Summary of a conceptual frame work of the study



Source: Author (2016), based on the literature reviewed.

These aspects alongside with their associated indicators are clarified below:

The conceptual model of this study expressed that, the business needs to be connected to credit/loan. The loan provided has an impact to an entrepreneur due to the fact that, when the amount does not fare by being large or small it prevents him/her to doing intended activities. And by giving an entrepreneur large amount of loan compare to his/her business will cause the poor performing of loan repayment which leads to negative effect toward employment opportunity, sales revenues, physical assets, profitability, market coverage, financial assets. Also, loan period which shows a number of installments on other has an impact on entrepreneurs due to the fact that when the loan period is longer, it causes the loan to have more installments which affect the interest rate being high, and disturb entrepreneurs on loan repayment.

Good or poor loan utilization has an impact toward loan performance. Utilization of loan by opening new business venture, buying or increase inventory, expand/ develop business facilities and other uses lead to the development or collapse of the entrepreneurial activities.

2.4.2 Research Model

2.4.2.1 The Pecking Order Model

The model was developed by Myers in 1984. According to this model firms prefer internal funding over external funding that is using internal funds, followed by debt, and lastly external equity. The pecking order model suggests that the manner in which firms cover their financing deficits does not depend on the current levels of debt and that the firms always prefer internal funds to external funds and debt to equity. When firms require outside funding they would prefer debt over equity and equity is generated as last resort. So the firms don’t have predetermined or optimum debt to equity ratio due to information asymmetry. The firms adopt conservative approach when it comes to dividends and use debt financing to maximize the value of firm. One of the aspects of pecking order model implies that when it comes to profitable firms, the would always prefer internal financing rather than taking up new debts or equity.

Even though, debt is considered cheaper than equity within certain proportions. It suggests thatit is because the value of firm and wealth of shareholders associated with the firm is disturbed by the asymmetry of information. This argument is supported by Famma and Fench (2000) who found that profitable firms were less levered as compared to non-profitable firms.

Murray Frank and Goyal (2003) held that large firms tend to accumulate debts in order to support and keep up with the payments of dividends while small firms tend to behave in opposite behavior.

The significant distinction between these determinants depending on the components of debt issued: long-term or short-term forms of debt. The results show that large firms are more likely to have access to long-term debt borrowing than small firms and that, due to supply constraints, small firms resort to short-term forms of debt. Firms with higher potential for growth prefer using less long-term debt as well as debt with fewer restrictive arrangements in order to become more financially flexible.

Myers (1984) suggests that issuing debt secured by collateral may reduce the asymmetric information related costs in financing. The difference in information sets between the parties involved may lead to the moral hazard problem (hidden action) and/or adverse selection (hidden information). Hence, the debt secured by collateral may mitigate asymmetric information related cost in financing.

CHAPTER THREE

RESEARCH METHODOLOGY

3.1 Introduction

This chapter focuses on the methodology used in this study to address research objectives. It explains research design, study area, study population, sample study, sample size and sampling techniques, types and sources of data, data collection methods, validity issues, data analysis methods and ethical considerations. Furthermore, this section discusses validity and reliability of data and finally the ethical considerations.

3.2 Research Design

Kothari and Garg (2004) defined research design as 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. The research design is the conceptual structure within which research is conducted; it constitutes the blueprints for the collection, measurement and analysis of data. There are four types of research design, namely: longitudinal design, survey design, case study design and the experimental design (Kothari, 2004). This study employed a case study design.

A case study is an empirical inquiry that investigates contemporary phenomena with its real-life context, especially when the boundaries between the phenomenon and context cannot be drawn clearly or unambiguously (Flick, 2009). A case study design involves the intensive and in-depth and detailed descriptions of an individual, group, institution or phenomenon within its real life context using multiple sources of evidence (Bromley, 1990). The study incorporated both quantitative and qualitative research approaches within the descriptive design in order to better understand the relationship between variables in the research problem.

3.3 Study Area

This study was carried out in Tabora town. This research was targeted entrepreneurs (small and medium entrepreneurs) who were organized individual had been engaged in various entrepreneurial activities for at least three years and had received loans from commercial banks and have affected positive and negative from individual lending. The choice of Tabora town is since; the town has a likely possibility for obtaining the required data as the selected commercial banks (TPB, NBC, Access Bank and CRDB) are situated. Also, the selected banks provide similar individual loan product. Kumar (2002) recommends the researcher to avoid places that limit the possibility of accessing the required data.

3.4 Study Population

The study population is the population for whom the findings will be generalized or for which information is desired (Msabila and Nalaila, 2013). The group of individual, objects, or items from which samples are taken for measurement (Kombo and Tromp, 2006). The study involved the selected commercial banks that are TPB, CRDB, Access Bank and NBC.

3.5 Sample Size and Sampling Techniques

3.5.1 Sample Size

A sample is a group hopefully representative of the population intended to be studied and from which one devices generalization about the population (Bailey, 1994). The sample size is the number of respondents selected for an interview from a research population. It depends on the accuracy needed, population size, population heterogeneity whether the sample will be subdivided or not and resources available. Also, Sanders et al., (2006) defined sample size as the generalizations about populations from data collected using any sample based on probability. Sekaran (2003) argues that too large sample size could become a problem and recommends the sample size to be between 30 and 500. Similarly, to David and Sutton (2011) have argued that ideally the sample size should be greater than 30, otherwise the observation when exploring the relationship between two variables will be small.

This study has used a sample of 91 respondents which are loan beneficiaries from commercial banks in Tabora town.

3.5.2 Sampling techniques

Sampling is a technique used in selecting items for the sample. According to Kothari & Garg (2014), the selected respondents constitute what is technically called 'sample' and the selection process is called 'sampling technique'.

A non-probability sampling technique was adopted for this study. Msabila & Nalaila (2013) demonstrated non-probability sampling techniques are sampling techniques where a selection of individuals for the sample does not give all the individuals in the population equal chances of being selected. There is no random selection of elements or individuals. Subjects, in a non-probability sample, are usually selected on the basis of their basis of accessibility or by a purposive personal judgment of the researcher.

Also, snowballing technique which involves a researcher asking the initial subject to nominate another person within the same trait. It entails a researcher choose one or two persons first and then asks them to start nominating others that they think they can provide required information (Msabila & Nalaila, 2013) was used. Through this method, 91 entrepreneurs were obtained.

3.6 Types and Source of Data

3.6.1 Primary data

Kothari (2008) defined primary data as those data collected afresh and for the first time and mostly are original in character. In this study, primary data were collected through observation, questionnaire.

3.6.2 Secondary data

Secondary data are the data that already in existence and found in published reports, books, and the internet (Saunders et al, 2003). Secondary data were from different sources like books, publications, journals, reports and internet. The purpose of used such method is to get archival information to support raw data collected from the field in the course of this study. This method is useful because it supplements the questionnaire method which was used, hence more reliable data was obtained.

3.7 Data Collection Methods

Kothari (2004) recommends that while deciding about the methods of data collection to be used for the study, the researcher should keep in mind two types of data; namely primary and secondary. The instruments for collecting data are selected depending on the type of data the researcher would be collecting. The researcher has used methods such as questionnaire and observation for collecting primary data.

3.7.1 Observation

According to Adam & Kamuzora (2008), observation is an eyesight inspection followed by writing or drawing, depending on what the researcher surveys. Data were collected by visiting entrepreneurs their business premises, home and their lives in general, to observe the impact after acquiring a loan from a bank. This was done purposely because it was difficult for respondents to answer researcher's questions through questionnaires.

3.7.2 Questionnaires

Questionnaires are data collection instruments through which subjects respond to questions or statements that generally require factual information (Best and Kahn 1998). Questionnaires were distributed to the respondents which are banks loan clients in the collection of raw data and this will be open which will provide a wide room for respondents to explain issues in detail while closed-ended questions will be used to get direct answers and whereby less time-consuming in responding during data collection process.

3.7 Validity Issues

Validity refers to the extent to which the concept one wishes to measure is actually being measured by a particular scale or index. It is the extent to which an account accurately represents the social phenomena to which it refers (Babbie, 1992). To ensure the validity of measures, the data were gathered from individual loan beneficiaries friendly no respondent was forced to fill the questionnaire without his/ her willing.

Reliability, it refers to the consistency measure produce the same results across time and across observers (Patton, 2002). To ensure reliability, this study was employed two methods of data collection which are questionnaires and observation. Questionnaires guide was administered with a great care in order to control the ineffectiveness of such tools that may occur in the whole process of operations.

3.8 Data analysis Methods

According to Oliver (1977), is the process of evaluating data using analytical and logical reasoning to examine each component of the data provided. Data were collected and edited for accuracy, coded, classified, tabulated, and analyzed in the form of tables, percentages and inferential analysis. Both qualitative and quantitative methods applied in processing the data depending on the type of the data collected from the respondents and documents. Data were analyzed by using statistical package known as SPSS. Any calculation was solved through the uses of the manual calculator.

3.9 Ethical Considerations

Privacy and confidentiality are the major ethical considerations in any research study (Emory and Cooper, 1991). Caution was taken against source bias (conditions or circumstances which affect the external validity of statistical results), errors in methodology, interpretation of results and their application to real-world issues (Kombo and Tromp, 2006).

Ethical issues in data collection were adhered to specifically in the following areas:

The respondent's participation in the study was voluntary. The participants (the respondents) were free to express their willingness to participate or to withdraw at any time during data collection process. Respondents had the right to understand the intention of the research as well as to know their entitlement on how the research findings will be used and what their participation will entail (Kumar, 2002).

The findings from the study were shared with entrepreneurs, as well as to other people who interested in accessing the findings. Yins (1994), the research find should be shared. Also, the findings were also submitted to Mzumbe University particularly at the School of Business (SOB).

Confidentiality was maintained at all times. Only certain people involved in the study knew the identity of the participants (Kombo and Tromp, 2006). The researcher was responsible for the conduct of the research and the consequences of that research. Thus, the researcher accepted individual responsibility for the entire process.

CHAPTER FOUR

PRESENTATION, ANALYSIS AND DISCUSSION OF RESEARCH FINDINGS

4.1 Introduction

This chapter presents the data collected and discusses findings from the study in line with study objectives and questions. The chapter is divided into two parts: the first part describes the demographic characteristics of the respondents, while the second part presents the results of the study and discusses findings with respect to the research objectives and endeavors to answer the linked research questions.

The researcher administered the 100 questionnaires were 91 questionnaires were returned have been duly filled. The respondents were given a time frame of three weeks to enable them to respond. Telephone calls, text message, and legs follow-up were made to remind them of every five days to fill the questionnaires and return them.

4.2 Demographic and social-economic characteristics of the participants

The demographic and social economic data that were collected from the study area and these include age, gender, marital status, educational level, a number of dependents, monthly income, form and type of business and experience of conducting business. These characteristics are essential because they may suggest the nature of the respondents’ responses or possible reasons for the responses provided by the respondents.

4.2.1 Distribution of respondents by sex

Commercial banks in Tabora town provide an individual loan to people of all genders. The rationale of obtaining data on the basis of sex was to determine whether there was a difference between males and females. The findings (Table 4.1) indicate that 65 (71.4%) of the respondents were males while 27 (28.6%) of the respondents were females. The findings show that most entrepreneurs who have an individual loan in the commercial bank are males.

The study implies that male gender in Tabora town, participate more in business activities because they have responsibilities of serving their family. Also, culture of the societies made female to have no confidence due to the fact that, it forced them to stay home take care of children and cooking. The duty of finding money is for the male. This result is in line with other studies which reporting that failure rates for female-owned firms are higher than those of males. The tendency has handicapped by limited access to finance, stringent collateral requirements and women's double duties (Riding and Swift, 1990).

Table 4.1 Distribution of the respondent by sex

Respondent response	Frequency	Percent	Cumulative Percent
Male	65	71.4	71.4
Female	26	28.6	100.0
Total	91	100.0	

Source**:** Questionnaire data (2016).

4.2.2 Categories of respondents by age

The age distribution of respondents was grouped into five categories; 18 - 35, 36 - 45, 46 - 55, 56 and above. The finds indicate that 51 (56%) of the respondents were between the ages of 18 to 35 years, followed by 27 (29.7%) who were aged between 36 to 45. 11 respondents (12.1%) were between of 46 to 55, while 2 (2.2%) of the respondents were between 56 and above.

Table 4.2 Respondent age

Age of respondents	**Frequency**	**Percent**	**Cumulative Percent**
18 - 35	51	56.0	56.0
36 – 45	27	29.7	85.7
46 - 55	11	12.1	97.8
56 - above	2	2.2	100.0
Total	91	100.0	

Source**:** Questionnaire data (2016)

The result shows that about 85.7% of respondents are youth, which is individual loan beneficiaries. This groups (18 - 35, 36 - 45) are active economic age groups that need to be supported by commercial banks for economic growth. This age group is entrepreneurial due to increased responsibilities that push the MSEs to look out for the source of income to the upkeep of all family chores (Jagongo, 2009) furthermore it was in agreement by the ILO outcomes on youth involvement in economic activities (ILO 2003).

4.2.3 Marital status distribution

The findings showed 71 (78%) of the respondents were married, 16 (17.6%) were single and 4 (4.4%) were widowed. This study shows that the majority of the respondents are married people**.**

Table 4.3 Marital status

Respondent response	Frequency	Percent	Cumulative Percent
Single	16	17.6	17.6
Married	71	78.0	95.6
Widow/widower	4	4.4	100.0
Total	91	100.0	

Source**:** Questionnaire data (2016).

The implication of a study is that married respondents participate more in the operation of entrepreneurs by acquiring financial assistance from the commercial bank because they are to seek financial assistance for operating their business so that to keep the family in which their responsible. Also, the result has supported by a study carried by Kibas (1995) argued those entrepreneurs who are married become motivated to proceed from their spouse and children hence continue to provide highly subsided labour for household.

4.2.4 Categories of respondents by education level

Characteristic of individual loan beneficiaries were categories by five groups which are Illiterate, Primary school, Secondary school, High school education and University. The findings indicate that 6 (6.6%) were illiterate, 12 (13.2) had primary school certificate, 47 (51.6%) had secondary school certificate, 4 (4.4%) had advanced/high school certificate while 22 (24.2%) had university level degree certificates.

Table 4.4 Education level

Respondent response	Frequency	Percent	Cumulative Percent
Illiterate	6	6.6	6.6
Primary school	12	13.2	19.8
Secondary school	47	51.6	71.4
High school education	4	4.4	75.8
University	22	24.2	100.0
Total	91	100.0	

Source**:** Questionnaire data (2016).

The implication of the findings is that majority of the respondents have attained formal education. The level of formal education which includes secondary school and high school, together with the university may affect the overall performance of entrepreneurship especially in terms of management, productivity and sustainable development of a business. Kuzilwa (2005), it was also observed that those with at least form four educations and above are doing better than those of primary education. Which means that they have basic knowledge in the business of read, write, counting that can enhance them to access loan from commercial banks. Furthermore, they were involved in entrepreneurship because there did not have employment opportunities for them in formal employment sectors (public and private). This indicates that, for having education helped entrepreneurs to seek for assistance from commercial banks to develop their business.

4.2.5 Categories of respondents by number of dependents

The study employed respondents of a different number of dependents from the field. The table 4.5 shows that 16 (17.6%) of the respondents had no dependents, 58 (63.7%) of the respondents had a number of dependents range from 1 - 3, 17 (18.7%) of the respondents had a number of dependents range from 4 - 10.

Table 4.5 Number of dependents

Respondent response	Frequency	Percent	Cumulative Percent
0	16	17.6	17.6
1 – 3	58	63.7	81.3
4 - 10	17	18.7	100.0
Total	91	100.0	

Source**:** Questionnaire data (2016)

This implies that majority (about 82.4%) of respondents were loan beneficiaries from commercial banks in Tabora town they had dependents which include wife/husband, children, house girl/boy and other relatives. [4]In Tanzania, both the nuclear and the extended family live in the same house. It is every rare to have a household composed of just the parents and their children, in urban areas, most parents work and be mutually responsible financially for support of their family.

4.2.6 Categories of respondents by monthly income

Findings showed that 52 (57.1%) of the respondents had a monthly income range from Tsh. 300,001 - 500,000, 25 (27.5%) between from Tsh. 500,001 - 1,000,000, 7 (7.7%) between Tsh. 100,001 - 300,000 and 7 (7.7) had an income of less than Tsh. 100,000.

[4] http://online.yfuusa.org/media/yes_lounge/**Tanzania**.pdf(accessed 09/04/2016 18:00)

Table 4.6 Monthly income

Respondent response	Frequency	Percent	Cumulative Percent
Less than 100,000	7	7.7	7.7
100,001 -300,000	7	7.7	15.4
300,001-500,000	52	57.1	72.5
500,001-1,000,000	25	27.5	100.0
Total	91	100.0	

Source**:** Questionnaire data (2016).

This implies that about 84.6% of respondents had monthly income range from Tsh. 300,000 - 1,000,000. These results suggest the majority of entrepreneurs in Tabora town were low-income earners with a number of dependents to support. Much of their income was spent on food, education, medicine, other immediate family needs and for service the loan.

4.2.7 Categories of respondents acquired entrepreneurship training

The findings showed that 74 (81.3%) of the respondents did not acquire any entrepreneurship training while 17 (18.7) of the respondents had acquired entrepreneurship training.

Table 4.7 Acquired entrepreneurship training

Respondent response	Frequency	Percent	Cumulative Percent
Yes	17	18.7	18.7
No	74	81.3	100.0
Total	91	100.0	

Source**:** Questionnaire data (2016).

This implies that majority respondents doing entrepreneurs activities they do not have formal knowledge which will help them to operate their activities professional. According to Storey (1994), education and training provide the basis for intellectual development which is crucial to entrepreneurs in the business to be successful. By having lack of knowledge of entrepreneurship or obtain entrepreneurship training before and after starting the business will lead entrepreneurs to exploit opportunities within environment easy and hence lead to success.

4.2.8 Categories of respondents according to business type

The findings showed that 61 (67%) of the respondent had a retail business (buy and sell), 19 (20.9%) of the respondent had professional service, 6 (6.6%) of the respondents had production business while 5 (5.5%) of the respondents had a wholesale business. The study indicated that the majority of the respondents had retail business which dealing with buying and selling different items.

Table 4.8 Business type

Respondent response	Frequency	Percent	Cumulative Percent
Retail (buy & sell)	61	67.0	67.0
Professional services (secretarial, salon)	19	20.9	87.9
Production	6	6.6	94.5
Wholesale	5	5.5	100.0
Total	91	100.0	

Source**:** Questionnaire data (2016).

4.2.9 Categories of respondents according to form of business

From the below table 4.9 shows that 71 (78%) of the respondents business form are the sole proprietorship, 17 (18.7%) are the partnership and 3 (3.3%) of the respondent are the company.

Table 4.9 Form of business

Respondent response	Frequency	Percent	Cumulative Percent
Sole proprietorship	71	78.0	78.0
Partnership	17	18.7	96.7
Company	3	3.3	100
Total	91	100	

Source**:** Questionnaire data (2016)

From the data presented it indicates that the majority of the respondents are the sole proprietorship which means, they have employed themselves as entrepreneurs by own and doing business. This implies on how its tuff to form a company or partnership, because this two form of business needs deep agreement in terms of sharing capital, asset, the cost of operating the business, sharing of profit and trust between partners person or members of the company. These two forms of business need a person to have knowledge of them and most of the entrepreneurs they have no any kind of knowledge of it, other reason they don't want to share capital, operation skill due to the fact they don't want to share profit. Also these forms of business, they have a long process like the need of memorandum and article of the association during the incorporation. Due to that, most of the entrepreneurs escape these from of business and operate as a sole proprietor.

4.2.10 Categories of respondents according to experience

The results show that 56 (61.5%) of the respondents had experience of 2 - 5 years, 29 (31.9%) had experience of 6 - 10 years while 6 (6.6%) had experience of 11 years and above.

Table 4.10 Experience in business

Respondent response	Frequency	Percent	Cumulative Percent
2 – 5 years	56	61.5	61.5
6 – 10 years	29	31.9	93.4
11 years – Above	6	6.6	100.0
Total	91	100.0	

Source**:** Questionnaire data (2016)

This implies that the majority of the respondent had experience of 2 - 5 years. According to Ntoga (2013), the respondents with long business experience are more advantageous than those with less business experience. The benefits of respondents with long business experience against those with less business experience include: competition- firm with long experience can able to adjust the price up and down, because price is a basic tool for competition, marketing strategy- how to market goods and services so that can attract potential customers and also it is easier to access to bank facilities. Young firms are not trusted with the bank because they are considered as a risk.

4.2.11 Categories of respondents according to the bank they have borrowed

Table 4.11 results indicate that 16 (17.6%) of respondents were beneficiaries from CRDB, 36 (39.6%) were beneficiaries from TPB, 2 (2.2%) were beneficiaries from NBC and thirty 37 (40.7%) of respondents were beneficiaries from Access bank.

Table 4. 11 Commercial bank which they borrow

Respondent response	Frequency	Percent	Cumulative Percent
CRDB	16	17.6	17.6
TPB	36	39.6	57.1
NBC	2	2.2	59.3
Access bank	37	40.7	100.0
Total	91	100.0	

Source**:** Questionnaire data (2016)

The findings imply that the majority of the respondents were individual loan beneficiaries from TPB and Access bank because the conditions of obtaining the loan are not complicated and the process of obtaining the loan is less than a week since application. This is due to the fact that loan applicants want a bank which has a quick loan process so as to help the in investment according to current opportunities available.

4.3 Utilization of individual loan

4.3.1 Loan utilization

The study aimed to assess how individual loan from commercial banks is utilized. The results in table 4.12 show that 14 (15.4%) of respondents utilize the loan for buying business assets, 6 (6.6) utilize loan for settlement of other debts, 54 (59.3%) utilize loan by increasing working capital while 17 (18.7%) utilize loan by sourcing raw material.

Table 4.12 Loan utilization

Respondent response	Frequency	Percent	Cumulative Percent
Buying business assets	14	15.4	15.4
Settlement of other debts	6	6.6	22.0
To increase working capital	54	59.3	81.3
Sourcing raw materials	17	18.7	100.0
Total	91	100.0	

Source**:** Questionnaire data (2016)

This implies that the majority of loan beneficiaries (93.4%) is a utilized loan for increasing of working capital by buying different goods which are not available on the business premises, open other tributaries business. While other loans are utilized for buying raw material especial for those dealing with production activities and some few entrepreneur dealing with service business like a hotel.

4.3.2 Utilization of loan for starting other income generation activities

The results of the study show that 37 (40.7%) of respondents used the individual loan from commercial banks for starting other income generating income activities, while 54 (59.3%) did not utilize loan for starting other income generating activities.

Table 4.13 Utilization loan for start other income generating activities

Respondent response	Frequency	Percent	Cumulative Percent
Yes	37	40.7	40.7
No	54	59.3	100.0
Total	91	100.0	

Source**:** Questionnaire data (2016)

This implies that majority respondents who had received an individual loan from commercial banks did not utilize for introduce new income generating activities in order for increase profit rather than utilized for current business and other non-business issues. But few beneficiaries of the loan from a commercial bank they utilized it for starting other activities like mobile money transaction like “Mpesa”, “Tigopesa”, and hair cutting salon, chicken keeping, grocery and other.

4.3.3 Utilize loan for other project

Results show that 26 (28.6) of respondents utilize individual loan from commercial banks to start another project different from the business while 65 (71.4%) do not utilize individual loan from commercial banks for starting another project.

Table 4.14 Using loan for other project

Respondent response	Frequency	Percent	Cumulative Percent
Yes	26	28.6	28.6
No	65	71.4	100.0
Total	91	100.0	

Source**:** Questionnaire data (2016)

This implies that majority of respondents they concentrate utilized loan for current business while minority utilize loan from a commercial bank for other projects like house repaired and construction, buying home chattels, buying car, paying children's school fees and other.

4.4 Business performance after loan utilization

4.4.1 Business achievement since started being financed by commercial bank

The study assessed the level of business achievement adopted since started being financed by a commercial bank in terms of the following aspects: sales revenue, financial asset profitability, physical asset and market coverage after loan utilization

The findings showed that 9 (9.9%) of the respondents said the sales revenue decrease more since started, financed by commercial banks, 12 (13.2%) sales revenue slight decreased, 30 (33.0%) sales revenue remained stable, 28 (30.8%) there were slightly increased and 12 (13.2%) said there were more increased of sales revenue. This implies that about 70 (76.9%) of the respondents there sales revenue become stable and increase since started financed by commercial banks through the individual loan.

Table 4.15 Sales revenues

Respondent response	Frequency	Percent	Cumulative Percent
More decreased	9	9.9	9.9
Slight decreased	12	13.2	23.1
Stable	30	33.0	56.1
Slight increased	28	30.8	86.9
More increased	12	13.2	100.0
Total	91	100.0	

Source**:** Questionnaire data (2016)

The findings in table 4.16 showed that 15 (16.5%) of the respondents said since started, financed by commercial bank his/her business profitability decrease more, 19 (20.9%) said there were slight decrease of profitability, 23 (25.3%) said profitability remained stable, 24 (26.4%) said there were slight increase and 10 (11.0%) said there were more increased of profitability.

This implies that commercial bank loan had brought achievement in the business whereby 57 (62.7%) of respondents realized the positive impact through business profit be stable and increased since started financed by commercial banks.

Table 4.16 Profitability

Respondent response	Frequency	Percent	Cumulative Percent
More decreased	15	16.5	16.5
Slight decreased	19	20.9	37.4
Stable	23	25.3	62.7
Slight increased	24	26.4	89.1
More increased	10	11.0	100.0
Total	91	100.0	

Source**:** Questionnaire data (2016)

Table 4.17 indicates that 4 (4.4%) of the respondents their physical asset decreased more since started, financed by commercial banks through individual loan, 9 (9.9%) their physical asset slight decreased while 39 (42.9%) their business stabilized, 28

(30.8%) their physical asset slight increased and 11 (12.1%) their physical asset increased more.

This implies that the majority of the respondents about 78 (85.8%), have benefited from individual loan since started, financed by commercial banks through their physical asset stabilized and increased.

Table 4.17 Physical assets

Respondent response	Frequency	Percent	Cumulative Percent
More decreased	4	4.4	4.4
Slight decreased	9	9.9	14.3
Stable	39	42.9	57.2
Slight increased	28	30.8	88.0
More increased	11	12.1	100.0
Total	91	100.0	

Source**:** Questionnaire data (2016)

Table 4.18 shows that 7 (7.7%) of the respondents indicated their financial asset decrease more since started, financed by commercial banks 15 (16.5%) indicated there were slightly decreased while 28 (30.8%) said financial asset stabilized, 33 (36.3%) financial asset slight increased and 8 (8.8%) financial asset increased more.

This implies that majority about 69 (75.9%) realized positive changes since started, financed by commercial banks by their financial asset become stable and increased.

Table 4.18 Financial asset

Respondent response	Frequency	Percent	Cumulative Percent
More decreased	7	7.7	7.7
Slight decreased	15	16.5	24.2
Stable	28	30.8	55.0
Slight increased	33	36.3	91.3
More increased	8	8.8	100.0
Total	91	100.0	

Source**:** Questionnaire data (2016)

Table 4.19 indicates that 9 (9.9%) of the respondents their market coverage decreased more since started, financed by commercial banks, 12 (13.2%) showed that their market coverage slight decrease while 23 (25.3%) their market coverage stabilized, 28 (30.8%) showed slight increased and 19 (20.9%) increased more.

This implies that the majority of the respondent about 70 (80.0%) realized positive changes on market coverage since started financed by commercial banks. This is due to the fact that they bought transport facilities like motorcycles, “Bajaj” for distributing products/ items to their customers, advertised their business through local radios (Voice of Tabora f.m and Cg f.m) and other of such nature.

Table 4.19 Market coverage

Respondent response	Frequency	Percent	Cumulative Percent
More decreased	9	9.9	9.9
Slight decreased	12	13.2	23.1
Stable	23	25.3	48.4
Slight increased	28	30.8	79.2
More increased	19	20.9	100.0
Total	91	100.0	

Source**:** Questionnaire data (2016)

4.4.2 Sale volume after loan utilization

The results show that 70 (76.9%) of the respondents said “yes” sales volume increased after individual loan utilization while 21 (23.1%) said “no” sales volume did not increase after utilization of individual loan.

Table 4.20 Impact of loan in sales volume

Respondent response	Frequency	Percent	Cumulative Percent
Yes	70	76.9	76.9
No	21	23.1	100.0
Total	91	100.0	

Source**:** Questionnaire data (2016)

After loan utilization, 70 (76.9%) of all entrepreneurs said “yes” sales volume was increased, 35 (50.0%) said after loan utilization, sales increase due to raising of capital, 17 (24.3%) sales were increased due to availability of new various products while 10 (14.3%) sales was increased due to raising of capital and availability of new products while 8 (11.4%) sales were increased because he/can afford to distribute the products to customers through the uses of motorcycle, “Bajaj”.

Table 4. 21 Reason for increase sales volume after loan utilization

Respondent response	Frequency	Percent	Cumulative Percent
Raising of capital	35	50.0	50.0
Availability of new various products	17	24.3	74.3
All above	10	14.3	88.6
Other	8	11.4	100.0
Total	70	100.0	

Source**:** Questionnaire data (2016)

This implies that the majority of respondents about 70 (76.9%) agreed that their business performed well in terms of sales due to the fact that, they utilized individual loan to their entrepreneurial activities by expanding their business operations, including increasing the level of stock items and raw material, improve business premises identify and selling fast moving items which meet customer needs.

Also majority of respondents who are 70 (76.9%) who agreed that their business performed well in terms of sales due to the fact that they utilized individual to their entrepreneurial activities, half of them 35 (50.0%) exposed that after loan utilization sales volume increase because of improvement of business premises, introduced air-condition/fan to the business to reduce temperature and provided free banana and “kachumbari” when a customers buy plate of rice, "ugali" or chips especially those run hotel business which attracted customers, introduce other services like “Mpesa, Tigopesa”, availability of more and high quality products. So this study shows that individual loan has a positive effect on entrepreneurship. The discoveries are related to the work of (Kuzilwa, 2005).

4.4.3 Impact of individual loan on cash flow

The result of the study revealed that 64 (70.3%) of the respondents their cash flow increase after obtaining an individual loan from a commercial bank in Tabora and utilize it. While 27 (29.7%) revealed that their cash flow did not increase after obtaining an individual loan.

Table 4.22 Cash inflow increase after loan after loan utilization

Respondent response	Frequency	Percent	Cumulative Percent
Yes	64	70.3	70.3
No	27	29.7	100.0
Total	91	100.0	

Source**:** Questionnaire data (2016)

This implies that the majority of the response benefits from taking an individual loan from commercial banks in Tabora town this is due to better utilization of loan on entrepreneurship activities by having high cash in and cash out. Cash in by received sales from products and cash out by buying business items, raw material and other. While other whom their cash flow does not utilize individual loan to entrepreneurial activities do not benefit because they used to other activities.

4.4.4 Stock level of the business

Findings showed that the majority of respondents about 73 (80.2%) revealed that their stock increase after obtaining an individual loan from a commercial bank in Tabora. While 18 (19.8%) reveals that their stock did not increase after obtaining an individual loan.

Table 4.23 Stock increasing after loan

Respondent response	Frequency	Percent	Cumulative Percent
Yes	73	80.2	80.2
No	18	19.8	100.0
Total	91	100.0	

Source**:** Questionnaire data (2016)

This implies that individual loan provided benefit to entrepreneurs because they allowed the majority of the respondent increase their stock of products. Entrepreneur did not have any kind of doubt when a customer come to the business after buying a bulk of items. Also, he/she will satisfy customers during the products not available.

4.4.5 Overall performance of business after obtain bank loan

From the table 4.24 the results of the study show that 40 (44.0%) of the respondents expressed that the overall performance of the business was in terms of increase of sales, 12 (13.2%) performed by the increase in stock level, 18 (19.8%) performed by increase in sales and profitability, 21 (23.1%) expressed that the loan helped nothing to their business with respect to overall firm performance.

Table 4.24 Overall firm performance

Respondent response	Frequency	Percent	Cumulative Percent
Increase in sales	40	44.0	44.0
Increase in stock levels	12	13.2	57.2
Increase in sales and profitability	18	19.8	77.0
None the above	21	23.1	100.0
Total	91	100.0	

Source**:** Questionnaire data (2016)

According to the study, it shows that the majority of respondents about 77.0% have benefited from individual loan scheme from commercial banks in Tabora town. 21% of the respondents they did not see any performance of the business after obtaining loans from commercial banks due to the fact that they utilize loan on other issues different from a business like paying the debt, paying school fee, construct a house and other. As one entrepreneur said;

"I do not see a change is my business after obtaining a facility from CRDB due to the fact that, I did not utilize the loan from the bank to entrepreneurial activities. All the money was used for buying a motorcycle "Toyo" which help me for transport when I want to move one place to another, especially when I want to visit my family at Kakola village."

This implies that when a facility from the commercial bank will be utilized for entrepreneurial activities at the end of a day the performance of the business will be revealed.

4.5 The outcome of the loan amount provided to entrepreneurs

4.5.1 The outlook of entrepreneur's business after obtain individual loan

The result of the study shows that 1 (1.1%) of the respondent revealed that after obtained loan from commercial bank the business start slows down, 10 (11%) revealed that after obtained loan the business stagnant that is they do not grow while 50 (54.9%) revealed that after obtaining loan the business expands by having different other business like "Mpesa", hotel, grocery and other. And 30 (33%) expressed that after obtaining an individual loan from a commercial bank the business improved by having new and another different variety of items which are not available in previous before the loan.

Table 4.25 Outlook of business after loan

Respondent response	Frequency	Percent	Cumulative Percent
Improvement	30	33.0	33.0
Expansion	50	54.9	87.9
Stagnation	10	11.0	98.9
Slowing down	1	1.1	100.0
Total	91	100.0	

Source**:** Questionnaire data (2016)

This implies that the majority of the respondents about 87.9% benefited from the individual loan, thus why their business improved and expanded. This proves how the loan beneficiaries are smart in terms of utilization of finance from commercial banks.

4.5.2 Condition of employment of a business before obtain loan

The results of the study expressed that 42 (46.2%) of the respondents did not have any employee before they obtained the loan from commercial banks, while 48 (53.8%) of respondent's employees ranging from one person to four persons (1 - 4).

Table 4.26 Number of employees before loan

Respondent response	Frequency	Percent	Cumulative Percent
0	42	46.2	46.2
1 - 4	49	53.8	100.0
Total	91	100.0	

Source**:** Questionnaire data (2016)

Also, the results show that 49 (53.8%) of respondents among 91 of respondents revealed that they had employees range ranging from 1 - 4. From 49 (53.8%) of the respondents who had employees, 30 (61.2%) among 49 expressed that after obtained loan from a commercial bank they increased wages and salaries of existing employees while 19 (38.8%) of respondents they did nothing.

Table 4.27 Impact of loan in employment

Respondent response	Frequency	Percent	Cumulative Percent
Increase of the wages and salaries of existing employees	30	61.2	61.2
None above	19	38.8	100.0
Total	49	100.0	

Source**:** Questionnaire data (2016)

Also, the study showed that 33 (36.3%) of respondents after obtaining the individual loan they have employed workers from a range of 1 - 2 person so as to help different activities on business to increase production also to reduce waiting time of customers when come to business seeking a certain service. 58 (63.7%) of the respondents expressed that they did not make any change in employment after obtaining an individual loan from commercial banks.

Table 4.28 Impact of loan on employee's recruitment

Respondent response	Frequency	Percent	Cumulative Percent
Yes	33	36.3	36.3
No	58	63.7	100.0
Total	91	100.0	

Source**:** Questionnaire data (2016)

This implies that individual loan not only has benefited to entrepreneurs but also to other people which are employees. This is due to the fact that there is an increment of employees' salaries and wages after his/ her employers obtain an individual loan from a commercial bank, also individual loan creates employments to other people because after the business expand and entrepreneurs bought a motorcycle, he employed a person for used that motorcycle as "Bodaboda". Others are employed as a shop assistant, security guards, cook and waitress in the hotel and other of such nature. This was supported by Ayyagari et al. (2007) asserted that the promotion of the SME sector is a core element to foster employment, economic growth, and poverty alleviation. Levine et al, (2005) found a large SME contribution to employment.

4.5.3 The amount borrows at first time

The study employed respondents of different loan groups from the field. Table 4.26 shows 62 (68.1%) of the respondents borrowed between Tsh. 500,000 - 5,000,000, 24 (26.4%) between Tsh. 6,000,000 - 10,000,000, while 5 (5.5%) were between Tsh. 11,000,000 - 30,000,000.

Table 4.29 Amount borrowed at the first time

Respondent response	Frequency	Percent	Cumulative Percent
500,000 - 5,000,000	62	68.1	68.1
6,000,000 – 10,000,000	24	26.4	94.5
11,000,000 - 30,000,000	5	5.5	100.0
Total	91	100.0	

Source**:** Questionnaire data (2016)

This implies that most of the majority taking the loan from commercial banks in Tabora town, their loan facilities range from Tsh. 500,000 - 5,000,000. This is due to the reasons that, commercial banks provide loan according to the size of the business, the value of entrepreneur's collateral and another risk which will lead the failure of loan repayment and experience of taking the loan from commercial banks, SACCOSS or microfinance institutions. After complication of the current loan, entrepreneurs can apply for another loan by increase/ decrease the amount or request the same amount like the current one. And the commercial banks will grant loan entrepreneurs through previous loan history, the capacity of business to service the loan and other factors.

4.5.4 Advantage of taking individual loan

Table 4.30 shows that 44 (48.4%) of the respondents strongly agree loan facility provided by commercial banks are helpful to their entrepreneurial activities. And 36 (39.5%) agree commercial bank loan is helpful to their entrepreneurial activities and 11 (12.1%) disagree commercial bank loan are not helpful to their entrepreneurial activities.

Table 4.30 Bank loan helpful

Respondent response	Frequency	Percent	Cumulative Percent
Strongly agree	44	48.4	48.4
Agree	36	39.5	87.9
Disagree	11	12.1	100.0
Total	91	100.0	

Source**:** Questionnaire data (2016)

This implies that the majority of the respondents about 87.9% they agree that facility from commercial banks are quite helpful to their entrepreneurial activities by looking the different things which they have done and enjoyed its fruit through the uses of the loan from commercial banks. This is because commercial bank loan increases the performance of entrepreneurial activities in terms of market growth, increased product portfolio, timely loan payments as well as generating higher profits which increase their capital base.

4.5.5 Negative effects of the business during loan repayment

Table 4.31 presents results (frequencies and percentages) of the study shows that 5 (5.5%) of the respondents expressed they repayment of a loan has a negative effect on their business performance, due to the fact that bank charge high-interest rate. All the income is used for repayment of the loan. Another said the bank give a huge loan (over finance) compared to the size of their business. This causes poor utilization of the loan and at the end of a day, it became a burden to them. And 86 (94.5%) expressed repayment of the loan did not affect in any way on the performance of their business.

Table 4.31 Repayment of loan affects negative business performance

Respondent response	Frequency	Percent	Cumulative Percent
Yes	5	5.5	5.5
No	86	94.5	100.0
Total	91	100.0	

Source**:** Questionnaire data (2016)

When commercial banks charged high-interest rates and over finance the entrepreneurs it comes as a burden to entrepreneurs due to the fact that all the income from entrepreneurial activities will be used for repayment of the loan and hence affect the business performance. One respondent said “high borrowing interest charged to them and high operating costs, which eroded their profits and lack of entrepreneur training skills like customer service skills, stock control, financial and market management.” While the majority of respondents said “No” the service of the loan did not affect the business performance.

The implication is that, good management of income from business, improvement and maintain of the firm by always provide new items/ service which competitors do not have will lead to more sale volume and profit which will be used on monthly installment repayment. When Invest at least 60% of loan amount to business will not affect loan repayment than invest the whole to other issues. And also income from the business are kept at the bank this reduced misuses of the fund rather that kept on “Mpesa” because it easy to withdraw and going to consume/ buy a certain issue/item which is not important at the moment because that eyes were attracted by that things.

4.5.6 Plan to continue to next loan

The results of the study show that 68 (74.7%) of the respondents expressed after they complete the current loan they will opt to continue to take another loan from commercial banks and 23 (25.3%) expressed after completing the current loan they will not opt to continue for another loan. The respondents who expressed that, they will not opt for another loan due to the fact that they have a psychological affected by the loan. Also, the time they think about payment of monthly installment when they will not pay their collateral can be confiscated by bank’s auctioneers. Another said credit officers are disturbing them when they are in arrears even for one day they do not acknowledge if they face any problem thus why they failed to pay installments on time. And the last interest rate charged by the banks is not fair because it exploited their profit and capital which at the end of the day affect the whole performance of the business.

Table 4.32 Plan for second loan

Respondent response	Frequency	Percent	Cumulative Percent
Yes	68	74.7	74.7
No	23	25.3	100.0
Total	91	100.0	

Source**:** Questionnaire data (2016)

Whereby about 68 (74.7%) of the respondents who agreed that they had a plan to continue for next loan, 44 (48.4%) of the respondents expressed they will take a greater loan that current one and 24 (26.4%) expressed they will take the same loan as the current one.

Table 4.33 Amount will be requested

Respondent response	Frequency	Percent	Cumulative Percent
Greater than the previous amount	44	74.7	74.7
Equal to the previous amount	24	26.6	100.0
Total	68	100	

Source**:** Questionnaire data (2016)

This implies that the majority of the respondents are benefiting from obtaining an individual loan from commercial banks in Tabora. They expressed their interest in taking another loan from commercial banks after completed paying the first loan, this is when they want greater than the previous amount and others want equal to the previous amount in for expansion more their entrepreneurial activities.

4.5.7 Condition of living after obtaining individual loan

The results of the study show that 79 (86.8%) of the respondents expressed that their standard of living improved after received the loan and 12 (13.2%) express that their standard of living do not improve even after received the loan because the bank gave them a small amount compared to their planning, also commercial banks charge high-interest rate when they approve your loan the deduct some amount as application and loan process fees.

Table 4. 34 Standards of living after loan

Respondent response	Frequency	Percent	Cumulative Percent
Yes	79	86.8	86.8
No	12	13.2	100.0
Total	91	100.0	

Source**:** Questionnaire data (2016)

So by having 86.8% of respondents who said “Yes”, this implies that that commercial bank loan scheme is more effective in helping the beneficiaries raising their economic position through businesses and other entrepreneurial activities as well as investing in education, buying home items like music systems, furniture, television, house repair/ construction and other of such nature. As one respondent argued that;

“I achieve to pay a tuition of my first degree of Public relation and marketing at Saint Augustine University of Tanzania, living in my own house due to the fact that a facility of Tsh. 4,500,000 helped me to put some amount to finish house construction and the remaining amount I invested it in business by introducing new business of selling Coca-Cola drinks as an agent and other to education”.

This finding corresponded with many researchers that commercial bank interventions have positive impacts on the entrepreneurship and household progress. Abdul (2011), expressed that, affordability to pay school fees have been identified as one the indicators of growth at the household level.

CHAPTER FIVE

SUMMARY, CONCLUSIONS AND RECOMMENDATIONS

5.1 Introduction

In this chapter the researcher has summarized the overall discussions as mentioned in chapter four, the conclusion on the discussed findings, and recommendations, as well as suggestions for further research, have been mentioned in the last discussion.

5.2 Summary of findings

The study assessed the impact of the individual loan provided by commercial banks to entrepreneurs in Tabora town. The specific objectives of the included; to find out how loans provided by financial institutions are utilized by the entrepreneurs, to examine the business performance after loan utilization, and to assess the outcome of the loan amount provided to entrepreneurs.

The research design used was a case study strategy whereby it investigates contemporary phenomena with its real-life context, especially when the boundaries between the phenomenon and context cannot be drawn clearly or unambiguously. Data collection methods include questionnaires, observation, and documentary review were used. Data were analyzed by using Statistical Package for Social Science (SPSS).

Findings revealed that financial assistance obtained from Commercial banks in Tabora town, entrepreneurs have been able to utilize it to expand, and improve their entrepreneurial activities which generate income and other activities which do not generate income, profit growth, employment creation, improvement of employees' wages, and salaries, improvements of business facilities, reduction of poverty among others. It was also revealed that the experience of taking the loan from commercial banks, the value of collateral, size of business, and risk for repayment are factors influence the access of credit from commercial banks.

Generally, respondents indicated that loans from commercial banks had brought positive changes in sales volume since the level of sales was increased after loan because, the majority of loan beneficiaries about 93.4% is a utilized loan for increasing of working capital by buying different goods which are not available on the business premises, open other tributaries business and increased level of merchandise stock. Sales after taking loans were relatively higher than sales before taking a loan and 87.9% of respondents was benefited from the individual loan, thus why their business improved and expanded through other respondents do not benefit. Also, other respondents utilized loan for other issues like payment of different fees, house construction, paying debt, and other.

Also, individual loan promotes employment creation whereby people were employed by business owners as a motorcycle ride "Bodaboda", cooks, waitress, shops assistance, security guard.

About 87.9% they agree that facility from commercial banks are quite helpful to their entrepreneurial activities by looking for different things which they have done and enjoyed its fruit through the uses of loan from commercial banks whereby about 68 (74.7%) of the respondents agreed that they had the plan to continue for the next loan.

In case of standard living of loan beneficiaries, 86.8% of respondents expressed commercial bank loan scheme is more effective in helping them raise their economic position through businesses and other entrepreneurial activities as well as investing in education, buying home items like music systems, furniture, television, house repair/ construction, and other of such nature.

5.3 Conclusions

The study assessed the impact of the loan provided individual provided by commercial banks to entrepreneurs in Tabora town. It can be concluded that most entrepreneurs use the loans as working capital mainly to source raw material, buying different items/ assets and, settle other debt.

The study findings confirmed that the role of commercial banks toward entrepreneur's success is absolutely important. Also, some loan beneficiaries benefited when obtains loan from commercial banks, for instance, according to the results in the field some of the entrepreneurs concluded that there are positive effects on performance of their business in terms of sales revenues, physical assets, financial assets among others.

After bank loan, the majority of entrepreneurs increased the level of income/profits, sales, investments, assets, creation of new jobs, and improve the standard of livings. However, few of the respondents claimed that their businesses were decreased after taking bank loans. Due to that entrepreneurship seems to be important for both economic and social development of developing countries especially Tanzania.

The researcher winds up that, when entrepreneurs are provided with an adequate loan on time, it enables them to grow and hence can assist the government to collect more revenue through the tax in order to fulfill its responsibility to her citizens. The performance of the SME sector is closely associated with the performance of the nation (Ntonga, 2013).

5.4 Recommendations

Based on study findings, this study recommends that;-

i. In order to ensure higher profits from business, the commercial banks should provide fair amounts of the loan to entrepreneurs by looking monthly sales of the business and other entrepreneur's incomes with low-interest rates within seven days for the amount less than Tsh. 5,000,000. By giving entrepreneur's loan within a few days since requesting will give him/her enough time for utilizing it with better ways by exploited the opportunities available at that time.

ii. Business management training from commercial banks should be provided entrepreneurs before acquiring loans to cope with the changing business situations and management of the fund but more importantly, should be relevant to the firms an enterprise exercises. Also, the banks should train their clients of having a behavior of serving their money to their accounts because that accounts it is not opened for loan repayment.

iii. Commercial banks should tell the truth their customers about loan interest rate if it is a flat rate or reducing rate. Also, they have to tell entrepreneurs charged fees for the loan application, loan processing and that fees will be deducted since the amount request was approved. This will give choice to entrepreneurs to select a bank, which charges low.

iv. Credit officers should have polite language when loan client was in arrears of over one day. To give clients threaten language like they will sell or submit their collateral to auctioneers to be sold, make them affect psychological on the day his/her collateral will be lost. This situation will cause a client to escape their families in order to avoid shy to other people because of his/her collateral was sold.

v. Entrepreneurs need to seek first an adequate knowledge of business before engaging in, doing any kind of business idea they have. Small business owners can do this by enrolling into training college like VETA or attend SIDO training. This will help them have knowledge on how to use loan and to exploit opportunities with environments and having the management skill of the loan.

vi. The government and other stakeholders should invest in research and development so as to explore what can be done to improve entrepreneurship either by looking into what other developed and developing countries have done or by coming up with new ideas. This will help in solving the challenges faced by entrepreneurship in the country.

vii. When entrepreneurs opt for second loans, they have to request an amount that, which is almost similar to the capacity of their business. They won't be forced by commercial banks to take small, same or bigger amount than the previous one, they will always decide themselves. Taking/requesting a big amount of loan compare to the size of the business will cause poor utilization of loan and lead difficult during repayment of monthly installments. It's not such a shame to take a smaller amount than the previous one or the bank will ignore your request because you request a small amount.

viii. Entrepreneurs should have a fire extinguisher in their business which will help them fight against fire when it occurred. This is because the business premises have connected with electric, when a short circuit happen, it will burn all the stock especially when it occurred during the night. Another, the entrepreneur should have electricity regulator which will be used to stabilize electricity when it comes with high voltage because electricity with high voltage can destroy refrigerator, Television, radio, air condition and other electronic devices which will cause to an entrepreneur to buy a new one and hence reduce profit of business and cause the difficult on repayment monthly installment. Also, entrepreneurs should register and take fire insurance which will pay the damage when the business burnt hence entrepreneurs will never lose anything and will get on business again.

ix. Entrepreneurs should utilize the loan for business purpose and not for other uses. This utilization will be for increasing working capital, improve business premises, travel to different areas for searching opportunities, and open another small business like "Mpesa, Airtel money and Tigopesa" which will contribute to increasing profit. And that profit from the business can be used for different purposes like house construction, payment of education fee and other uses.

x. Chief executive officers and other top management of commercial banks should introduce a department of research and development for the sake of identifying what the reason other entrepreneurs do not benefit from the individual loan, what are the problems lead clients to become defaulters, the way entrepreneurs use the loan. And they have to provide some advice to entrepreneurs who face difficulties in obtaining the loan from their branches.

5.5 Limitation of the study

i. Some of the entrepreneurs in Tabora town are not knowledgeable in English while even those who know English may feel free to express themselves in Swahili. In order to acquire their responses, the researcher was used the Swahili language in questionnaires.

ii. An unwillingness of respondents is among of the problems anticipated during the course of carrying out the study. The reluctance of respondents on the side of entrepreneurs due to the sensitivity of the issues that they gave an apology of inadequate time. However, the researchers overcame this by showing identity card and a letter of introduction from Mzumbe University and explain the aim of the study and how much the information they will have to provide has to be not disclosed.

iii. Time bound, the research time may exceed the frame. This also affected the budget and plan of the pre-established work. The researcher ensured that data collection was carried out in accordance with the time frame established to have a direct and methodical relationship between the strategic schedule and the time frame, to be lined with the budget.

5.6 Areas for further research

The study assessed the impact of the individual loan provided by commercial banks to entrepreneurs in Tabora town. Apart from this it observed the following relevant issues that need further research: -

i. Other research should assess the impact of the personal loan provided by commercial banks to public and private workers.

ii. Further research should assess the impact of group loans provided by commercial banks to entrepreneurs.

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APPENDICES

APPENDIX I: QUESTIONNAIRE FOR ENTREPRENEURS

Introduction:

Dear Respondent:

My name is Alex William, a student at the Mzumbe University of Tanzania (Main Campus), and pursuing Masters of Business Administration Corporate Management (MBA - CM). I am conducting a study on Assessment of the impact of individual loan provided by commercial banks to entrepreneurs: A case study of selected commercial banks in Tabora town. This is the compulsory part of my programme, I kindly request your assist in this questionnaire with accuracy so as to enable me to reach at the reliable, validity, and scientific conclusion. I would be very grateful if you would spare some few minutes in this questionnaire. The information which you will give will be treated confidential and your identity will not be exposed.

PART A: PERSONAL CHARACTERISTICS

1. Gender (Please choose appropriate answer)
    a) Male
    b) Female ( )

2. Would you kindly give your age? (Please choose appropriate answer)
    a) 18- 35
    b) 36 – 45
    c) 45 - 55
    d) 56 - above ( )

3. What is your marital status? (Please choose appropriate answer)
    a) Single
    b) Married
    c) Divorced ( )
    d) Widow/widower

4. What is your Level of education? (Please choose appropriate answer)
   a) Illiterate
   b) Primary school
   c) Secondary school ( )
   d) High school education
   e) University

5. How many dependents do you have in your household? (Please choose appropriate answer)
   a) 0
   b) 1 - 3
   c) 4 – 10 ( )
   d) 10 – Above

6. What is Your Monthly Income? (Please choose appropriate answer)
   a) Less than 100,000
   b) 100,001 -300,000
   c) 300,001-500,000 ( )
   d) 500,001-1,000,000
   e) 1,000,000 - Above

7. Do you have any training on entrepreneurship? (Please choose appropriate answer)
   a) Yes
   b) No ( )

8. What type of business do you run? (Please choose appropriate answer)
   a) Retail (buy & sell)
   b) Professional services (secretarial, salon) ( )
   c) Production
   d) Wholesale

9. What is your business form? (Please choose appropriate answer)
   a) Sole proprietorship
   b) Partnership

c) Company ( )

d) Not registered (informal)

10. For how long have you been operating your current business? (Please choose appropriate answer)

a) 0 – 1 year

b) 2 – 5 years

c) 6 – 10 years ( )

d) 11 years – Above

PART B: INFORMATION TO ADDRESS RESEARCH OBJECTIVES

11. Which bank did you borrow from? (Please choose appropriate answer)

a) CRDB

b) TPB

c) NBC

d) Access bank ( )

12. How does your firm utilize these loans? (Please choose appropriate answer)

a) Buying business assets.

b) Settlement of other debts.

c) To increase working capital.

d) Sourcing raw materials. ( )

e) Others (mention) ………………………………………………………………

13. Have you used a loan from commercial bank to start a northern come generating activity? (Please choose appropriate answer)

a) Yes

b) No ( )

If the answer is yes, which one? ....

14. Are you presently engaged in any projects different from business by using loan obtained from commercial bank? (Please choose appropriate answer)

a) Yes

b) No

If the answer is YES in the above question, what kind of the project are you involved in?

…………………………………………………………………………………………
…………………………………………………………………………………………

15. Please point out the level of your firm's achievement adopted from the time when started being financed by commercial bank in terms of the following characteristics by putting a select in the box that corresponds to your situation

Levels of achievement

1. More decreased
2. Slight decreased
3. Stable
4. Slight increased
5. More increased

No:	**Factors**	**Levels of Achievement**				
		1	2	3	4	5
A	Sales revenues					
B	Profitability					
C	Physical assets					
D	Financial assets					
E	Markets coverage					

16. Did your sales volume increase after getting the loan? (Please choose appropriate answer)

a) Yes
b) No ( )

If yes, what are the reasons of this increase? (Please choose appropriate answer)

a) Raising of capital
b) Availability of new various products
c) All above ( )
d) Other (give it)

……………………………………………………………………

17. Did your cash inflow increase when you got the loan? (Please choose appropriate answer)

a) Yes
b) No ( )

18. Did the bank loan allow you to increase stock of your product? (Please choose appropriate answer)

a) Yes
b) No ( )

19. Howdidtheloanhelpthebusinesswithrespecttooverallfirmperformance?(Please choose appropriate answer)

a) Increase in sales
b) Increase in stock levels
c) Increase in profitability
d) Increase in sales, and profit
e) None the above ( )

If none the above, explain

………………………………………………………………………………………

20. What was happened to your business after you got the loan? (Please choose appropriate answer)

a) Improvement
b) Expansion
c) Stagnation
d) Slowing down ( )

21. What is the total number of employees of the business before getting loan? (Please choose appropriate answer)

a) 0 employee.
b) 1 - 4 employees.
c) 5 - 9 employees
d) 10 - 49 employees ( )

22. What was the impact of the bank loan on the employment in your firm? (Please choose appropriate answer)

a) Increase of the wages and salaries of existing employees.
b) Reduce number of employees.
c) All above
d) None above ( )

23. Is there any recruitment of new employees after you have been given a loan? (Please choose appropriate answer)

a) Yes
b) No ( )

If yes how many? ....

24. What was the amount borrowed at the first time Tshs? (Please choose appropriate answer)

a) 500,000 - 5,000,000
b) 6,000,000 - 10, 00,000
c) 11,000,000 - 30,000,000 ( )
d) 31,000,000 - above

25. Is the bank loan helpful in financing your trading activities? (Please choose appropriate answer)

a) Strongly agree
b) Agree
c) Disagree ( )
d) Strongly disagree

26. Does repayment of your loan affects negatively your financial performance? (Please choose appropriate answer)

a) Yes
b) No ( )

27. After a completion of repayment of this loan did you opt to continue for second loan? (Please choose appropriate answer)

a) Yes
b) No ( )

28. Refer question 28, if yes of which amount? (Please choose appropriate answer)

a) Greater than the previous amount
b) Equal to the previous amount
c) Less than the previous amount ( )

If no give reasons

....
....
....

29. After getting the loan was your standards of living improved? (Please choose appropriate answer)

a) Yes
b) No ( )

If yes how

…………………………………………………………………………………………………
…………………………………………………………………………………………………
…………………………………………………………………………………………………

And if no how

…………………………………………………………………………………………………
…………………………………………………………………………………………………
…………………………………………………………………………………………………

Thank you for your cooperation.

KIAMBATISHO I: DODOSO KWA WAFANYA WAJASILIAMALI

Utangulizi:

Ndugu mfanya biashara,

Jina langu naitwa Alex William, ni mwanafunzi ninaesoma shahada ya pili ya biashara na utawala katika chuo kikuu cha Mzumbe Morogoro. Nakulingana na utaratibu uliopo natakiwa kufanya utafiti juu ya kuangalia athali ya mikopo binafsi inayotolewa kwa wajasiliamali na benki za kibiashara Tabora mjini.

Hiki ni kipengele cha lazima nikifanye katika elimu yangu ya shahada ya pili, ninakuomba unisaidie kujaza hili dodoso kwa usahihi ili uniwezeshe kufikia hitimishe la kweli. Niatafurahi sana iwapo utatumia muda wako kulipitia na kulijaza dodoso hili. Taarifa utakazotoa zitahifadhiwa kwa usiri mkubwa na zitatumika kwa matumizi ya takwimu tu.

PART A: MAELEZO YA JUMLA

1. Jinsia yako (Tafadhali chagua jibu sahihi)
    a) Mwanamume
    b) Mwanamke ( )

2. Unaweza kuniambia miaka yako ya kuzaliwa? (Tafadhali chagua jibu sahihi)
    a) 18- 35
    b) 36 - 45
    c) 46 – 55
    d) 56 – zaidi. ( )

3. Hali yako ya ndoa? (Tafadhali chagua jibu sahihi)
    a) Hujaoa/ hujaolewa
    b) Umeoa/ umeolewa
    c) Umeachana/ umeachika ( )
    d) Mgane/ mjane

4. Nini kiwango chako cha Elimu? (Tafadhali chagua jibu sahihi)
   a) Hujasoma
   b) Shule ya msingi
   c) Kidato cha nne ( )
   d) Kidato cha sita
   e) Chuo kikuu…………………………………………………………………

5. Nyumbani kwako watu wangapi wanakutegemea? (Tafadhali chagua jibu sahihi)
   a) 0
   b) 1 - 3
   c) 4 – 10 ( )
   d) 11 – zaidi

6. Kipato chako cha mwezi kikoje? (Tafadhali chagua jibu sahihi)
   a) Chini ya 100,000
   b) 100,001 -300,000
   c) 300,001-500,000 ( )
   d) 500,001-1,000,000
   e) 1,000,000 - zaidi

7. Je umewahi kupata mafunzo yeyote ya ujasiliamali? (Tafadhali chagua jibu sahihi)
   a) Ndio
   b) Hapana ( )

8. Ni aina ya biashara gani unaendesha? (Tafadhali chagua jibu sahihi)
   a) Duka la rejereja
   b) Unatoa huduma (mfano: uhazili, saluni) ( )
   c) Uzalishaji
   d) Duka la jumla

9. Biashara yako ni ya muundo gani? (Tafadhali chagua jibu sahihi)
   a) Mmiliki mwenyewe
   b) Ubia.
   c) Kampuni ( )

d) Sio rasmi

10. Ni kwa muda gani umekua ukiiendesha hii biashara? (Tafadhali chagua jibu sahihi)

a) 0 - 1 miaka

b) 2 - 5 miaka

c) 6 - 10 miaka ( )

d) 11 miaka -zaidi

PART B: MAELEZO KUHUSU DHUMUNI LA UTAFITI

11. Ni benki gani umechukua mkopo? (Tafadhali chagua jibu sahihi)

a) CRDB

b) TPB

c) NBC

d) Access bank ( )

12. Ni namna gani biashara yako inautumia mkopo? (Tafadhali chagua jibu sahihi)

a) Kununua rasilimali za biashara

b) Kulipia madeni mengine

c) Kuongezea mtaji

d) Kuchukulia malighafi ( )

Nyingine (Taja) ………………………………………………………………………

13. Je umewahi kutumia mkopo uliopata toka benki kuanzisha biashara ingine ya kuongeza kipato? (Tafadhali chagua jibu sahihi)

a) Ndio

b) Hapana ( )

Kama ndio, ni biashara gani? …………………………………………………………

14. Je kwa sasa unajihusisha na mradi wowote tofauti na biashara kwa kutumia mkopo ulioupata benk? (Tafadhali chagua jibu sahihi)

a) Ndio

b) Hapana ( )

Kama jibu ni ndio, ni mradi gani?

…………………………………………………………...

15. Tafadhali eleza mafanikio uliofikia toka kuanza kuchukua mikopo kutoka kwenye taasisi za fedha katika sababu kuu zifuatazo na uweke vema (√).

Kiwango cha mafanikio

1. Pungua sana
2. Pungua kidogo
3. Hakuna badiliko
4. Ongezeka kidogo
5. Ongezeka sana

Na:	**Vigezo**	**Kiwango cha mafanikio**				
		1	2	3	4	5
A	Mauzo					
B	Faida					
C	Rasilimali					
D	Tasilimu					
E	Masoko					

16. Je kiwango cha mauzo katika biashara yako kimeongezeka baada ya kupata mkopo? (Tafadhali chagua jibu sahihi)

a) Ndio

b) Hapana ( )

Kama jibu ni ndio (rejea swali 16), nini kilichosababisha ongezekeo hilo? (Tafadhali chagua jibu sahihi)

a) Ongezeko la mtaji
b) Upatikanaji wa bidhaa mbalimbali mpya
c) Yote hapo juu ( )
d) Nyingine
(taja)…………………………………………………………………

17. Baada ya kupata mkopo, utendaji wa biashara yako ukoje? (Tafadhali chagua jibu sahihi)

a) Bidhaa mpya zinapatikana
b) Bidhaa zenye ubora wa juu zinapatikana
c) Bidhaa mbali mbali zinaptikana ( )
d) Huduma mpya inapatikana, mfano Mpesa, Tigopesa
e) Yote hapo juu

18. Je mzunguruko wako wa pesa umeongezeka baada ya kupata mkopo? (Tafadhali chagua jibu sahihi)

a) Ndio
b) Hapana ( )

19. Je mkopo ulioupata benki umeisadia biashara yako kua na akiba ya bidhaa stoo? (Tafadhali chagua jibu sahihi)

a) Ndio
b) Hapana ( )

20. Je mkopo umesaidia vipi utendaji wa biashara yako kwa ujumla? (Tafadhali chagua jibu sahihi)

a) Mauzo yameongezeka
b) Akiba ya bidhaa stoo imeongezeka
c) Faida imeongezeka
d) Kuongezeka kwa mauzo na faida
e) Hakuna ( )

Kama hakuna,
eleza…………………………………………………………………

21. Nini kilitokea katika baiashara yako baada ya kupata mkopo? (Tafadhali chagua jibu sahihi)

a) Biashara iliboresheka
b) Biashara ilikua
c) Biashara ili dorora
d) Kasi ya biashra ilianza pungua ( )

22. Je ulikua na jumla ya wafanyakazi wangapi katiak biashara yako kabla hujapata mkopo? (Tafadhali chagua jibu sahihi)

a) Hakuna
b) Wafanyakazi 1 - 4
c) Wafanyazi 4 - 9
d) Wafanyakazi 10 na zaidi ( )

23. Ni mabadiliko gani yametokea upande wa ajira kwenye biashara yako baada ya kupata mkopo? (Tafadhali chagua jibu sahihi)

a) Mshahara na posho za wafanyakazi zimeongezeka
b) Namba ya wafanyakazi imepungua
c) Yote hapo juu yamefanyika
d) Yote hapo juu hakuna lililofanyika ( )

24. Je kuna wafanyakazi wowote uliwaajiri baada ya kupata mkopo? (Tafadhali chagua jibu sahihi)

a) Ndio
b) Hapa ( )

Kama jibu ni ndio, wafanyakazi wangapi? ....

25. Ni kiasi gani cha mkopo ulichukua kwa mara ya kwanza? (Tafadhali chagua jibu sahihi)

a) 500,000 - 5,000,000
b) 6,000,000 - 10, 00,000
c) 11,000,000 - 30,000,000
d) 31,000,000 - zaidi ( )

26. Je mkopo ulioupata benki umeweza kukusaidia katika shughuli zako za kibiashara? (Tafadhali chagua jibu sahihi)

a) Nakubali kabisas
b) Nakubali
c) Sikubali
d) Sikubali kabisa ( )

27. Je kulipa kwako marejesho ya mkopo kuna athiri vibaya utendaji wa biashara yako? (Tafadhali chagua jibu sahihi)

a) Ndio
b) Hapana ( )

28. Baada ya kumaliza huu mkopo wako, je kuna uwezekano wa kuomba mkopo mwingine? (Tafadhali chagua jibu sahihi)

a) Ndio
b) Hapana ( )

29. Rejea swali la 28, kama ndio, kiasi gani cha mkopo? (Tafadhali chagua jibu sahihi)

a) Kiwango Kikubwa zaid ya cha sasak

b) Kiwango kama hiki cha sasa

c) Kiwango cha chini kuliko hiki cha sasa ( )

Kama hapana, kwa nini?

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30. Baada ya kupata mkopo, je hali yako ya kimaisha ilikua nzuri? (Tafadhali chagua jibu sahihi)

a) Ndio

b) Hapana ( )

Kama ndio, kwa namna gani?

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Na kama hapana, ni kwa namna gani

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Asante kwa kutumia muda wako na mchango wa mawazo katika kujaza dodoso hii.