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# **Examining business performance of micro, small and medium scale enterprise through accounting records keeping; case study in Ghana**

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## **I. ABSTRACT**

The research study, seek to critically examine and empirically justify the exact role and benefit, financial records keeping does to the performance of start-ups and management of micro, small and medium scale enterprises in Ghana.

## **II. INTRODUCTION & BACKGROUND**

Many years ago, Small-Scale Enterprises (SSE) were viewed as, having a place with the past, out-moded and a characteristic of innovative backwardness. Without a doubt, their quick decay turned into a guide of modernity (Anyanwu, 2001). In the present times, Small-Scale Enterprises assumes an essential part in the financial development of a nation. Moore, Petty, Palich and Longernecker (2008) attest that SME undertakings, play critical position in the financial development and feasible improvement of each country. The presence of SMEs is one of a kind to a country and that is the reason why, they are depicted as engine of development of most economies of the world, from most expressions of renowned economists. The European Commission (EC) views SMEs to a great extent, in expression of the number of workers, and further categories them as: Firms with 0 to 9 workers classified as Micro Enterprise, while those with 10 to 99 laborers – Small Enterprise and finally 100 to 499 workers – medium Enterprises.

In Ghana, the Ghana Statistical Service (GSS) considers firms with less than 10 staffs as Small scale enterprises and those with more than 10 staffs as medium and vast size ventures (Ghana Statistical Service,2007). Small and Medium Scale Enterprises contribute altogether to the financial improvement of most of the nations on the planet. Offering job to around 66% of the nations' labour force, contributing essentially to the countries income, on tax payment, while in certain instances, support in wages, benefits, and profits to family units and others, and noted to have

been a definitive image of SMEs to low income countries. As Prasad et al. (2001) claims, developing SMEs will likewise add to expanding the extent of the specifically beneficial division in the economy; delivering tax income for the state; and, with everything taken into account, encouraging amelioration of poverty through financial exchanges, job creation and firm possession. Sule (1986) and World Bank (1995) expressed that, confirmation around the globe indicates that SMEs gives a compelling methods for empowering indigenious business enterprise, improving better work openings per unit of capital contributed and supporting the improvement of innovation.

In Ghana, it is reported that, SMEs add-up to 15.5% of the workforce and additionally 6% of the Gross Domestic Product in 1998 (Quartey and Kayanula, 2000). Once more, the AGI (2006) looked at the dynamic position of SMEs in improving nations and defined it as the engines through which the development goals can be accomplished. The previous President of Ghana, Kuffour (2008) perceived the significance of SMEs and noticed that the role of SMEs, was playing an encouraging contribution to the overall financial advancement of the country, and observed, it was expanding over the previous decade. As it may, the growth and development of any modern endeavor, be it little or extensive, will require a sound book keeping method. The significance of book keeping report and data to the survival of these organizations can't be overemphasized.

Book keeping have been perceived in many nations of the world as a methods for ensuring monetary development. For an enterprise to continue to be in existence, develop and accomplish distinction, it ought to have a dynamic unfaltering and productive book keeping method. In this way, a good financial related records keeping has turned out to be fundamental piece of overseeing firms in today's aggressive and challenging business condition. A good accounting record keeping enables business associations to arrange appropriately and furthermore check for

misappropriations of assets of the firm. Ademola, Olaleye, Olusuyi, and Edun, (2013) submitted that, keeping appropriate books of records, is fundamental to the development and survival of a business. And further stated, for a specific end goal to guarantee proficiency, viability and to proceed with the presence of any business association and administration, must look for steady, pertinent, exact and auspicious monetary related data for preparation and making of decisions. Poor records keeping or non-accessibility of monetary records, will front to assets mismanagement and poor money administration and this can make the business come up short. Incomplete records keeping makes it difficult to recognize business activities. It is the duty of entrepreneurs and directors to avoid utilizing resources of the business for individual use to the detriment of the business (Rankhumise, 2010). He further argued that, a qualified book keeper ought to be hired to do this job. He or she ought to have the needed skills to control money as in liquidity, the answer for the achievement of any business. Qualified financial record keepers assume a basic part in leadership and strategy for doing business. Accountants with higher abilities and experience have more noteworthy impact on the basic leadership procedure of a business (Tout, Ghazzawi, El Nemar, and Choughari, 2014). With their aptitudes and encounters, they are in a decent position to quantify the monetary execution and position of a business. This permits clients particularly in administration to arrange and settle on financial choices.

Small and Medium Scale Enterprises have been perceived as an imperative segment of Ghana's Economy. They are into exchange and industrial exercises, for example, wholesaling, retailing and little scale automated. Others incorporate weaving, hairdressing, providing food administrations, carpentry and dressmaking. To ensure their consistent survival, a few endeavors have been made by Government of Ghana to encourage their operations and access to financial resources. For

instance, the Business Assistance Fund was established in the 1990s to advance direct government loaning to the SMEs segment. Moreover, Export Development and Investment Fund (EDIF) was setup in the year 2000 for SMEs with export projects to access funds up to \$500,000 over a five-year period at an interest of 15%, with the fund payment directed through banks, the EDI board played a role of supervisory, then the fund got statutory empowered under Ghana investment Fund Act (Act 616), which was passed in the year 2002 to give credit benefits by assigned budgetary establishments to organizations.

In spite of the exertion made by the government of republic of Ghana to bolster the development of SME segment by creating conditions through the legitimate and administrative processes to access funds, there is still signs, that few of them are falling flat. A review done by College of Community and Organization Development (CCOD), a Sunyani-based Specialized College in 2015, uncovers that, four out of every five private business association in the nation crumples by the fifth year of its operation. The study was conducted in Brong-Ahafo, Ashanti, Accra and Western region, while accrediting business failures to poor administrative abilities and absence of strategic leadership and further affirmed that poor or absence of record keeping in a business and particularly to the SMEs, contributes to their collapse (Germain 2010). Additionally research suggests that that, a critical component in the disappointment of numerous organizations is because of poor accounting records keeping. A sufficient financial record-keeping will give the needed data to help SMEs to make the right business decisions.

In spite of the fact that book keeping records have been referred to as one of the conceivable components adding to achievement of business, there is little research done to establish how book keeping impacts performance particularly in Ghana. Despite a few studies done on SMEs in Ghana,

none has fixated on book keeping records and it correlation to business performance of SMEs. For instance, Dawuda and Azeko (2015) concentrated on money related procedures and conduct of enrolled Little Scale Organizations in the Bolgatanga Region. It also on record of Mbroh and Assah (2015) analyzing money related records keeping and business basic leadership, practiced by little and miniaturized scale venture proprietors (SMEOs) in Ghana with confirmation from 20 areas as the focused jurisdictional studies in Ghana. Amoako (2013) likewise researched procedures in keeping records by Kumasi SMEs within the Asanti region of Ghana. However this study is therefore aimed at investigating accounting record keeping and performance of Small and Medium Scale Enterprises in Ghana which comprises all the 10 regions which forms the total land mark allocation of the Country called Ghana as at 2017. The study focused specifically on accounting records keeping and performance of MSME's, hence limited in revealing where MSME's get their funds , variables that determine their survival and management style of owners of MSMEs.

### **III. THEORY & LITERATURE**

Ward (2005) alludes, there is no all-inclusive definition for SMEs since the definition relies upon who is characterizing it and where it is being characterized. For instance, in Canada SME is depicted as an endeavor that has less than 500 workers while micro-venture is the type that has under 100 representatives, the World Bank characterizes SMEs as having not more than 500 representatives. SMEs can be characterized in two: in view of the quantity of representatives in a venture and additionally the endeavors settled resources. As indicated by Aid (1989), the measure of the undertaking business is the most essential paradigm utilized in this part of the Country called Ghana. Yet, one must be wary when characterizing SMEs in view of settled resources in account



considering consistent deterioration in the trade rates, which regularly makes such definition outdated. UNIDO characterizes SMEs in developing nations in view of the quantity of representatives of the venture. A little endeavor has in the vicinity of 5 and 19 staffs and takes the case of the ever-exhibit little shops in the urban areas, for example, hair dressing cantinas and hack bars etc. A medium endeavor has 20 to 99 staffs and these incorporate assembling firms and sending-out organizations.

The Ghana Statistical Service, in their 1987 report of Ghana Mechanical Agreement, considers firms utilizing in the vicinity of 5 and 29 workers and with settled resources not surpassing \$100,000 as little scale enterprise, while those utilizing in the vicinity of 30 and 99 representatives with resource surpassing \$100,000 as medium scale enterprise.

The National Board of Small Scale Industries (NBSSI) characterizes SMEs as ventures that utilize close to 29 laborers, with interest in plant and apparatus (barring area and structures) not surpassing what might as well be called \$100,000. Aryeetey et al. (1994), in light of a field overview of 133 endeavors, orders SMEs into four gatherings in particular (i) micro-enterprise under 6 individuals; (ii) little undertakings, in the vicinity of 6 and 9 specialists; (iii) little ventures, in the vicinity of 10 and 29 labourers (iv) medium-sized ventures between 30-140 specialists.

### **1. The Features and Characteristics of MSMEs in Ghana**

MSMEs in Ghana can be arranged into urban and provincial ventures. This ventures can be sub isolated into “sorted out” and “sloppy ventures”; the composed ventures have a tendency to pay representatives with enlisted office, while the chaotic ventures are made up of craftsmen’s who work in open spaces, brief wooden structures, or at home and utilize nearly nothing or now and again no salaried labourers, they depend for the most part of the business on relatives or

apprentices. Rural Enterprises are to a great extent comprised of family gatherings, singular craftsman, ladies occupied with nourishment creation from neighborhood crops. The significant exercises inside this segment incorporate; assembling of mining, making of blocks and bricks, drinks, bread shops, wood furniture, agro handling, substance based items and components (Liedholm and Retouches 1981; Osei et al 199; World Bank 1992, Dark, Cooley and Lutabingwa, 1997). It is intriguing to note, little scale ventures undertakings, improve utilization of rare outcomes of capital than expansive scale ventures. Empirical evidence from Ghana and numerous different nations have demonstrated that capital profitability is frequently higher in SMEs than in the situation with the vast scale endeavor (LSEs) (Steel 1977; Tyke 1971). The purpose behind this, is not hard to see; SME's are jobs escalated with little measure of capital contributed. In this manner it has been contended that advancing the SME division in developing nations will make greater business openings, prompt a more impartial dissemination of wages and will guarantee profitability with better innovation (Steel and Webster 1991). MSMEs however have a critical part to play in empowering development, producing business and adding to neediness mitigation, given their monetary weight in African nations.

It is assessed roughly 90% of all specialty units in Ghana are comprised of Micro, Small and Medium Scale Endeavors (MSMEs) who assimilate amazingly, 60% of the national work drive. MSME's additionally contributes tremendously to the gross residential items to the nation. Greater part of MSMEs are female-claimed organizations, which as a rule are locally situated contrasted with those possessed by guys; they are worked from home and are for the most part not considered in authorities insights. This plainly influences their odds of accessing financing plans, since such projects are outlined without adequate thought of the necessities of organizations claimed by females. These female business visionaries regularly get the feeling that they are not equipped for

exploiting these credit plans, on the grounds that, the regulatory cost related to the credit securing plans frequently exceeds the advantages. Earlier exact reviews in Ghana, have demonstrated that female-claimed MSMEs frequently experience issues in evaluating account. Females are for the most part required in sole-proprietorship organizations which are for the most part miniaturized scale ventures and all things considered may not have the vital security to fit the bill for credits (Aryeetey et al, 1994; Abor and Biekpe, 2006). Measures of big business productivity (e.g. work efficiency or aggregate element profitability) shift extraordinarily both inside and crosswise, over industry. Firm size might be related with some different components that are connected with productivity, for example, administrative ability and innovation, and the impacts of the strategy condition. Most reviews in developing nations, show that the littlest firms are the minimum proficient, and there is some proof that attest that little and expansive firms are generally wasteful contrasted with medium-scale endeavors (Little et al, 1987). It is regularly contended that little firms convey advancements to the commercial center, however the commitment of developments to efficiency, frequently takes times, and extensive firms may have more assets to embrace and actualize them (Acs et el, 1999).

## **2. The Vital Role Played by MSMEs**

Micro, Small and medium enterprises contribute extraordinarily to the social and monetary advancement of Ghana. Among the few advantages that MSMEs convey to the national economy is outlined below;

2.1 MSMEs have been perceived as the engine through which the development targets of developing nations can be accomplished. They are potential wellsprings of work and pay,

in many developing nations (OECD, 1997). In Ghana they utilize an expected 70-80% of the dynamic work force that compel the economy and nearly 99% in the provincial horticulture

2.2 MSME's appear to have preferences over their large industrial rivals in that, they can adjust more effortlessly to economic situations, given their comprehensively gifted advances. They can withstand unfavorable monetary conditions as a result of their adaptable nature.

2.3 They enhance the effectiveness of local markets and make profitable utilization of rare asset, in this way encouraging long haul monetary development (Kayanula and Quartey, 2000).

2.4 MSME's are more work serious than bigger firms and in this manner brings down capital cost related with occupation creation.

2.5 MSME's add to GDP by either producing merchandise of significant worth, or through the arrangement of administrations to both customers or potentially different undertakings. This includes the arrangement of items and, to a lesser degree, administrations to outside customers, subsequently adding to general fare execution.

2.6 MSME's give openings for work to the general population particularly the youngsters within such zonal areas, to limit the social changes and turmoil particularly among the adolescent.

2.7 MSME's are probably going to prevail in littler urban focuses and rustic ranges. This moderates the stream of movement to expansive urban communities.

### **3. Accounting Systems: Concepts, Uses and Principles**

Accounting is portrayed as the way toward recognizing, measuring and imparting monetary data to allow judicious judgments and choices by the clients of the data. It is described as the dialect of business. (Niswonger and Fess, 1969) Several ideas, speculations and rules, under network the act of book keeping. Noticeable among them, which are growing concern are as follows; Consistency, Collection, Business Element, Cash Estimation, Judiciousness and the Twofold Section (Rawat, 2004; Dyson, 2004). Accounting can be in different forms, for example, money related, cost, administration and assessment book keeping. A book keeping framework is an organized, proficient plan for giving exact data and controls. Administrative prerequisites and inner organization policies must be considered in outlining a compelling book keeping framework. Book keeping framework ought to demonstrate the books, records, vouchers, documents and related supporting information as requisite procedure (Oyewole, 2008). It involves steps, strategies, documentation and gadgets expected to actualize a stream of exchange preparing. The non-presence or insufficiency of inward of interior controls is a road for squanders, misrepresentation and defalcation. The presence of sound framework ensures provoke activity and consumer loyalty, along these lines, expand possibilities for more prominent wages and development in genuineness Robert et. al. (1998) states that measuring an organization's budgetary execution and last position requires setting up a particular book keeping period (Warson, 1981; Shukla et al. 2006). According to Wariboko (1993), "Salary articulation demonstrates the income of the firm between two monetary record dates". Initially, find net profit; second, find income per share (EPS). To

accomplish this, the exchanging benefit, misfortune account and a monetary record is readied (Meshack, 1999; Shukla et al. 2006; Babatunde 2003; Nagarajan et al. 2006).

#### **4. Types of MSMEs Book Keeping**

Accounting records are e.g. the business day, buys day book, money receipt book, check installments book, unimportant money book, general diary, ostensible record, account holders' record and banks' record. Frequently a different finance framework is kept up and finance exchanges are abridged through general diaries. Be that as it may, all endeavors don't really require the whole previously mentioned accounting records; the undertaking needs to choose this on the premise of its needs. At the point when the endeavor makes the judgment of what accounting records to keep up, it additionally needs to consider whether some accounting records are necessary per the regular book keeping norms and the organization's codes.

#### **5. Single Entry System**

The single entry system is a "casual" accounting framework where a client of this framework makes just a single section of a business exchange. It for most part, incorporates a day by day outline of money receipts and a month to month record of receipts and payment (worksheets). A cheque book, for instance, is a solitary passage accounting framework where one section is made for each store or cheque composed. Receipts are entered as a store and a wellspring of income. Cheques and withdrawals are entered as costs. On the off chance that, a manual framework is utilized, keeping in mind the end goal, to decide your incomes and costs. One need to get a ready worksheets to outline its pay, classify and abridge the diverse sorts of costs (Cromie, 1991). Accounting programming and spreadsheets are additionally accessible to play out the essential

operations. The accentuation of this framework is put on to decide the benefit or loss of a business (Chepkemoi, 2013). It got its name since you record every exchange just once as either income (store) or as a cost (check). Since every section is recorded just once, charges and credits (recording strategy required for the twofold passage framework) are not used to record an accounting occasion. While the single passage framework might be worthy for duty purposes, it doesn't give a business the whole accounting data expected to satisfactorily report the accounting undertakings of a business. Sooner than later, there will most likely, be no single passage framework (Cromie, 1991).

## **6. Double Entry System**

The double entry system is the standard framework utilized by organizations and different associations to record accounting exchanges. Since all business exchanges comprise of a trade of one thing for another, twofold section accounting framework is set up, utilizing charges and attributes, to demonstrate this two-crease impact. Charges and credits are the gadget that gives the capacity to record the passages twice. The two-fold passage framework likewise has worked, in governing the rules. Because of the utilization of charges and credits, the two-fold section framework is self-adjusting. The aggregate of the charge values recorded must be equivalent to the aggregate of the credit values recorded (Cohen, 2005). This framework, when utilized alongside the accumulation technique for accounting, is an entire accounting framework and concentrates on the salary proclamation and asset report. This framework has overall support as the framework to use by organizations for recording their accounting exchanges. It got its name in light of the fact that every exchange is recorded in no less than two spots utilizing charges and credits (Cohen, 2005).

## 7. The Importance of Book keeping with MSEs

Accounting is the principal basic stride of bookkeeping which as a framework gives a wellspring of data to proprietors and directors of MSEs working in any industry, for use in the estimation of money related execution. The significance of monetary execution estimation to any business substance cannot be overemphasized. In this sense, the book keeping bases, ideas and standards embraced, should catch the applicable book keeping data to guarantee unwavering quality in its estimation. Cooley and Edwards, (1983) battle that, announced benefits reflect changes in abundance of entrepreneurs. This can clarify why major monetary choices in business are focused on budgetary execution as measured by gainfulness. In addition, European Commission (EC) (2008) insists that book keeping data is vital for a fruitful administration of any business element, regardless of whether extensive or little. Administrators particularly those in SMEs sees record keeping as an errand that must be done to just get back some genuinely necessary money toward the finish of a specific timeframe. In any case, really, precise record keeping is not as imperative to numerous business administrators. With this point of view, it is not surprise, why hefty portion of these organizations comes up short from the earliest starting point (Wanjohi, 2012). In the instance that one doesn't keep precise and finish records of achievement of business, will be undermined from various perspectives. For instance one may wind up paying more duty than is expected as a result of absence of confirmation of assessment deductible consumption or become a victim of incorrect deals, for example in the event that one pays a book keeper to set up a quick business accounts, they will charge in view of and to what extent it will take them. On the off chance that, one's records are more exact, this will lessen the time taken and accordingly diminish the total sums to charge (Commonwealth of Australia 2010). The previously mentioned reasons are adequate to guarantee one to keep good book records, however the most critical reason is to



guarantee that, one has control over the business, through the survey of its benefits and the income circumstances. In this manner, guarantee the attention to any potential issues as quickly as time permits and then can settle on business choices with all accessible data within the reach of the owner. With a specific end goal to accomplish this essential control of a business, one needs to consider keeping precise records. This leads one to discover which records must be kept for the end goal of the accomplishment of a business. Accounting helps in securing of financing from money related establishments. The budgetary foundations more often than not require satisfactory monetary proclamations to give the advances to development purposes. Accounting normally goes about as a manual for the arrangement of monetary reports and banks survey on money related reports before giving advances. Then additionally helps with settling on stock choices like item expansion etc., in order to enhance deals and gainfulness. Organizations into trade credit, will dependably affirm from the books and as well analyze which products and enterprises effortlessly offer much to them to invest resources into them. This can be affirmed by checking which merchandise are effectively purged from the stores. Organizations can without much of a stretch be checked with the best possible records and this will encourage sound business choices being made, for instance; by monitoring indebted individuals, businesses and banks.

#### **8. International Accounting Standard for Small and Medium Sized Enterprises**

The aim of the financial records of SMEs is to give data about the monetary position, execution and money streams of the element that is helpful for financial basic leadership by a wide scope of clients who are not in a position to request reports which is custom fitted to meet their specific data needs. Money related explanations likewise demonstrate the after effects of the stewardship

of administration, that is the responsibility of administration for the assets endowed to it proclamations (Worldwide Bookkeeping Models Board, 2009). The Worldwide Book keeping Standard Board requires SMEs to set up the accompanying money related proclamations:

- I. Statement of budgetary position
- II. Statement of complete salary and payment proclamation
- III. Explanation of changes in value, articulation of payment and held profit
- IV. Explanation of money streams
- V. Notes to the budgetary articulations

For the clients of SMEs monetary explanations to settle on all around educated financial choices, these total arrangement of money related proclamations must be made accessible to them. Anything shy of this, would restrict their basic leadership preparation. SMEs frequently create money related articulations just for the utilization of proprietor directors or just for the utilization of duty experts or other legislative specialists. Budgetary articulations delivered exclusively for those reasons are not really broadly useful money related explanations (Worldwide Bookkeeping Principles Board, 2009). The IASB imagine the clients of SMEs money related articulations to include:

- I. banks that make credits
- II. suppliers that pitch to SMEs to settle on layaway and valuing choices
- III. FICO score organizations and others to rate them
- IV. clients on choosing whether to work together
- V. Shareholders that are not likewise supervisors

## 9. SMEs Accounting Practices

An examination of the current assortment of research, uncovers the importance of appropriate accounting book keeping records; the thought processes in continuing book keeping records, the extent of record keeping and the manner of book keeping frameworks of SMEs is reported. A segment of the writing takes a glance at the centrality of book keeping frameworks on the foundation of its application in surveying the execution of organizations by all partners (Page, 1984). Olson et al. (2004) expressed that clients of book keeping data in SMEs are on the expansion. Another feature of the reviews asserted that, over the span of benefit arranging, money related proof is gathered in a way that can help settle on educated judgment and take choices on the association (Copeland and Dascher, 1978). A book keeping framework is one of the dynamic basic leadership contraptions of administration. It gives an orchestrated technique for social event data about the various business exchanges to help administration in business operations. An accentuation is made on the ramifications of keeping legitimate books of records by Biryabarema (1998), it guarantees independent ventures to get exact data, in which to construct choices with respect to SMEs highlight, to the buys and deals, a means to decide how to earn back the original investment point, and brand a broad scope of other budgetary investigations in light of book keeping information. The review contends that, the nonappearance of legitimate book keeping records has added to the conclusion of a few organizations, and along these lines, makes it a benchmark for business achievement. Extra reviews underline that, the high frequency of disappointment among SMEs could be connected to the poor book keeping frameworks use by these ventures (Ofonagoro, 1983). Those reviews report that since book keeping frameworks assume a pivotal part in deciding business development and gainfulness, there is a need to evaluate the book keeping frameworks use by SMEs. For ideal business

development, SMEs must make utilization of a book keeping framework which will enable them decide the volume of offers, benefits or misfortune, resources and liabilities at any given period. Lybaert (1998), states that the nature of book keeping data connected inside the SME has a positive association with a business execution and presence. Also, it has been highlighted that there is the requirement for budgetary data for little and smaller scale business substances because of the unsteadiness, regularly associated with their circumstance, for example, capricious money and benefit positions, and reliance on here and now obtaining (Avoid, Fullerton and Robbins, 1994). Kinney (2001) expressed that book keeping is one of the essential sorts of data for basic leadership commonly inside and outside the association. He additionally places that the nature of this data judged by its importance and its unwavering quality for a specific choice is similarly noteworthy. Osuala (1993), opines many ventures record their exchanges subjectively without dependence to any settled arrangement of book keeping; in this manner, make it troublesome in keeping way of the trade streams out of the undertakings. Mitchel et al. (2000) argues that, book keeping data could help SMEs take care of here and now issues in the aspect of costing, consumption and income by giving data to bolster observing and control. Pandy (1991), recognizes that learning of money streams are indivisible parts of the business operations of firms. Peren and Concede (2000) expressed that basic leadership methods in little scale ventures are additionally modern than anticipated, however they required viable book keeping data and control framework to bolster their choices. Also, there are a few confirmations, to recommend what little organizations know about the significance of book keeping data frameworks (Worldwide League of Bookkeepers, 2006). Regardless of these mindfulness, most shareholders of little ventures in Ghana are not very recognizable to utilize standard book keeping frameworks to run the day by day exercises of their endeavors. The high rate of disappointment of little scale endeavors in

Ghana, has largely been attributed to poor administration and book keeping frameworks drawn in by these ventures (Ofonagoro, 1983).

There seems, to be some concurrence on the hugeness of monetary book keeping frameworks to business achievement. A few specialists declare that the nature of monetary book keeping data drawn inside the SMEs segment has a positive association with the execution of the element (Lybaert, 1998). In spite of the significant measure of studies directed in book keeping over the years, little exertion on exploring the book keeping frameworks kept up by SMEs and its related adequacies (McChlery et al., 2005). Peel and Wilson (1996) contemplated of firms utilizing 50 staffs or less, was limited to just 82 respondents in their publication of working capital and financial management in the small firm sector and argue the necessity for smaller firms to employ formal working capital management routines in order to reduce bankruptcy. Plainly, there is a need to look into the independent ventures group over a scope of areas including recently framed and set-up firms (McChlery et al., 2005). Maseko and Manyani (2011) concentrated 100 SME's in Zimbabwe and reasoned that SMEs don't keep finish records because of absence of information in book keeping and the cost of drawing in expert book keepers. Likewise, the utilization of book keeping data to back estimation of money related execution by SMEs is wasteful and therefore recommended that, administrative bodies must create particular models for SME book keeping and compose book keeping preparing programs for business people in private companies. They likewise prescribed the use of required record keeping to propel book keeping practices of SMEs in Zimbabwe. A review led by Mbroh and Attom (2011) revealed that 59% of 217 out of 250 SMEs considered in Ghana don't practice formal book keeping by any means. The reasons given incorporate; low levels of instruction and insufficient learning in book keeping which makes it troublesome for them to welcome the need to work on book keeping in their business. Mensah et

al. (2007) uncovered that a noteworthy number of ventures during their field studies, observed that, they kept no records relating to operations, fund, reviewed accounts, government forms, and others. As a result, most of the smaller scale and micro ventures undertakings, couldn't access credit from the banks, since they were considered as a high hazard region, and consequently charged with high loan cost, on their borrowings. Abudu and Azeko (2015) did an evaluation of budgetary records keeping on Little Scale Organizations in Ghana. It was likewise found that only few of this small ventures are keeping legitimate records, for example, money books, deals day books, unimportant money, buy day books, wage articulations, proclamation of monetary position

#### **10. Factors that Account for Failure of SMEs in Keeping Proper Records**

The factors responsible for non- records keeping has been distinguished as absence of education, absence of qualified work force and contract cost to enlist a book keeper (Maseko, and Manyani 2011). Amoako, Marfo, Gyabaah, and Gyamfi, (2014) reinforced the position of Makeso and Manayani by uncovering that, the most overwhelming test result, was costs limitations, trailed by lacking book keeping aptitudes of administrator and proprietors of SMEs. These reviews revealed that most entrepreneurs and workers have no professionals specialized in the preparation of book keeping records and that considering the measure of the SMEs, the proprietors esteemed it misuse of assets to utilize qualified book keepers. SMEs are hesitant to keep up legitimate books of records as they think there is no compelling reason to continue book keeping records and trust that, it would even uncover their money related position for assessment purposes (Amoako, 2013). Musah and Ibrahim (2014) were likewise of the view that proprietors of these organizations feel hesitant to record their everyday exercises (incomes and consumptions) on account of the low worth, returns and execution of their organizations. They contended that the proprietors, in

this way, have a tendency to depend on their memory and don't really observe the need to keep up books of records.

### 11. Business performance

As indicated by Thao and Hwang (2015), performance is related with amount of yield, nature of yield, convenience of yield, nearness/participation at work, productivity of the work finished and adequacy of work finished". Smith and Reece (1999, p. 153) characterize business execution as "the operational capacity to fulfill the yearnings of the organization's real shareholders" and it must be evaluated to quantify an association's achievement. Lebars and Euske (2006) give an arrangement of definitions to outline the idea of business execution as stated below:

- Performance is an arrangement of monetary and nonfinancial markers which offer data on the level of accomplishment of destinations and results
- Performance is changes that requires judgment and translation.
- Performance might be represented by utilizing a causal model that depicts how current activities may influence future outcomes.
- Performance might be seen diversely relying upon the individual required in the appraisal of the firm's performance (e.g. performance can be seen uniquely in contrast to a man inside the association contrasted with one from outside).
- To define the idea of execution is important to know its components trademark to every territory of obligation.
- To report an association's performance level, it is important to have the capacity to evaluate the outcomes.

Dobrin and Popescu (2012) distinguished three measurements of business performance as outlined below;

- Performance means, initially, accomplishing the vital purposes. Which demonstrates the idea of "adequacy". The idea, traditions the sound model to which the association could be mechanical and accepting the fact that, proficiency is certainly considered in setting objectives, while adequacy is measured quantitatively.
- Ostroff and Schmitt (1993), asserts that performance is a fluctuating harmony amongst proficiency and adequacy.
- Business performance is a condition of the undertakings in aggressiveness, achieved by a level of viability and effectiveness that guarantee economical market nearness (Niculescu and Lavalette, 1999).
- Performance incorporates likewise the monetary idea of wealth creation or incentives to the organization. Along these lines, execution is a connection between operational cost of the association, and the estimation of advantages got (Lorino, 2001).

## **12. Determinants of a firm's performance**

Determinants of firm performances will vary based on different literatures. Indeed, there is no absolute determinants mostly acknowledged as a standard to establish a firm performance (Lussier, 1995). Generally, numerous contentions used to establish the elements that impact firm execution, lie in the structure-direct execution (SCP) system. This system contends that, firm execution is dictated by the lead of firms in the market, which is thusly impacted by the structure of the market (Ferguson, 1993). Inside the SCP custom, Rogers (2000) states that the higher the levels of industry or market fixation and a firms piece of the pie, the higher the benefit would be



or the other way around. In recent time, many variables have been found to identify with firm performance. Wengel and Rodriguez's (2006) consider the fare execution of Indonesian SMEs, among others, included firm size and age and also remote partake in the capital structure of the firm as their informative factors. Sarder et al. (1997) in their review on the execution of SMEs in Bangladesh utilized period of firm, administration encounter, introductory speculation, showcase rivalry, industry segment, and time slipped by in the wake of getting budgetary support as directing free factors. Wyncarczyk and Watson (2005) in their review on SME sub-temporary workers in the United Kingdom utilized size, age, possession, store network attributes, and organization of firms as free factors. Late reviews in the vital administration region contend that firm-particular variables are more imperative than what others may consider the deciding factor of firm performance (McGahan and Doorman, 1997). Possession structure as one of the firm-particular qualities emphatically impacts firm performance. Submitting according to Douma et al. (2003), organizations with outside corporate shareholdings are invested with prevalent focal points in different measurements, including innovative, showcasing and administrative aptitudes, and subsequently, would give positive effect on firm performance. Brooks bank et al. (1992) in their examination of English medium-sized firms uncover that, organizations which gives a higher need to promotion accomplish higher execution. These organizations that utilize yearly and longer-term advertising range, perform statistical surveying, receive a proactive approach in future arranging, and in addition utilize showcase extension techniques and clear ways to deal with oversee promoting exercises are very successful in performance. Levitt (1983) and Kotler (1988) likewise stretch that showcasing is essential for business achievement or performance.

### 13. Measurement of business performance

Business performance is measured by different strategies, some of them are basically exceptionally straight forward, different techniques which are greatly refined and intricate to be both thoughtful and numerical. Kaplan and Norton propose an adjusted arrangement of money related and non-monetary markers. Deliberately adjusted execution markers ought to acquire changes hierarchical out-comes (Grafton et al., 2010). Apparatuses (pointers), business in this category utilized change in a segmented approach. The biggest clients of huge number of pointers are organizations working in the shopper merchandise advertisement, mining, handling chemicals, metals and social insurance. The littlest clients are, actually, ventures in development, retail and assembling (Janeček and Hyněk, 2010). Performance estimation ought to incorporate five principle measurements, in particular: budgetary, market and client, handle, staff advancement and accurate forecast to the future. The money related measurement ought to be reflected in pointers, for example, deals, benefits and rate of profitability. The measurement of the market and clients ought to assess consumer loyalty, maintenance and administration quality. The measurement of the procedure ought to incorporate assessment of the length and nature of procedures. The measurement of representative advancement ought to assess workers alternatives, their inspiration, and the limit of data framework. The measurement of scales for the future or forecasting must assess the profundity and nature of key indicators, determining and getting ready, for the startling changes of outer condition, the likelihood of joint endeavors and key unions and putting resources into new market advancement (Maltz, 2003). The conventional way to deal with the intensity estimation (concentrated on the utilization of the money related investigation) incorporates fundamentally the supreme pointers (net benefit/misfortune per the period, turnover sum), proportion markers ( liquidity, obligation, profitability) and distinction

pointers (benefit increment/diminish, turnover increment/decrease),(Wagner, 2009). A choice of utilizing one of the strategies for intensity estimations is typically a piece of the more propelled phases of the organization advancement. As a rule, particularly with respect to more unpredictable techniques, interest in this apparatus is expensive and tedious and its arrival is spoken to, by components which are distinctive to measure (Kožena, Chladek, 2012). All things considered, numerous observational reviews tend to utilize unmistakable factors in measuring firm execution because they are less demanding to operationalize. Garrigos-Simon et al. (2005) in their review on Spanish cordiality firms embraced two substantial measures, which are benefit (return on resources, degree of profitability and profit for deals) and development (in deals, piece of the overall industry, and wealth creation); and two impalpable measures, specifically partner fulfillment, and focused position. McNamee et al. (1999) in their review on Irish independent companies utilized two execution estimations, which are, development (in deals, volume and work) and benefit (return on resources, return on deals, and benefit per worker). A review by Forces and Hahn (2002) on the saving money industry in New Britain just utilized one pointer, return on resources (ROA), to look at the performance of 98 banks.

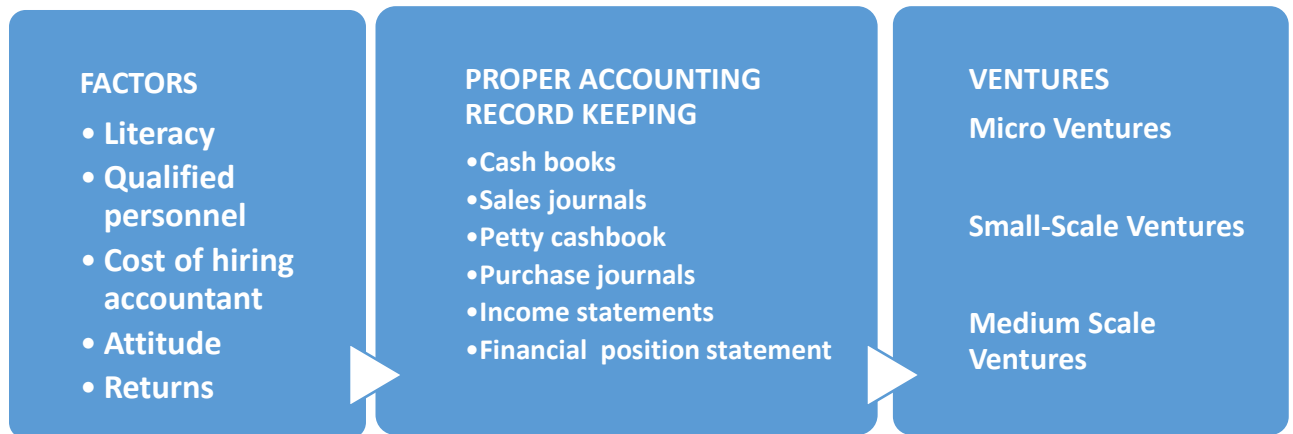
#### **14. Accounting record keeping of SMEs and Performance**

Ibrahim (2015) enquired into Effect appraisal of book keeping framework on the performance of little and Medium Ventures (SMEs) In Bauchi City, Nigeria. The number of inhabitants in the review comprises of all the current sixty six (66) SMEs recorded on the rundown of enrolled SMEs with the SMEs Directorate of Bauchi State Service of Trade and Industry as at December, 2014 that occupied with assembling/creation exercises as it were. The stratified arbitrary inspecting method was utilized to touch base at the specimen size of sixty (60) SMEs from six gatherings (Nourishment

and Drinks, Printing/Paper Item, Metal and Aluminum Items, Non Metallic Items, Wood and Wood Items and Ranch Items). The information gathered were examined utilizing clear measurements where mean rating was utilized as fitting. It was established that, despite the fact that legitimate book keeping framework improves the level of productivity and budgetary quality of SMEs in Bauchi City, the majority of them don't keep appropriate book keeping records. Ademola, Samuel and Ifedolapo (2012) researched in the aspect of records keeping on the survival and development of SMEs in Ijumu nearby Government Range of Kogi State. Information gathered through the essential and auxiliary sources, in which the essential sources relied on poll and individual meeting with the auxiliary source extracted from accredited data's, with extract, computed into chi-square tables for statistical accuracy. It was discovered that, majority of the respondents do not keep business records and subsequently don't know whether their organizations are developing or not. Musah and Ibrahim (2014) investigated the connection between records keeping and business performances among SMEs in the Tamale City of Ghana. Depending on a sample population of 100 SMEs in the Tamale City, and utilizing basic relapse investigations and Pearson relation coefficient, his empirical work established a positive relationship between records keeping and business executions. Specifically, the bases of our research is to demonstrate that the two factors are directly related on the grounds of empiricism. Mairura (2011) concentrated the impact of business records on business performances. Information was gathered among eighty businesses, visionaries in the articles of clothing industry in Nairobi. Which the study demonstrated that, there exists a positive connection between book keeping records and business executions. The studies demonstrated the kind of instruction, nature of business possession, preparing and size of business are the primary elements affecting book keeping records. Muchira (2007) taken a gander in records keeping and development of SMEs, a contextual analysis of Thika Region in Kenya, the

review embraced a type of subjective distinct research as a contextual investigation outline, adopting both purposive and irregular techniques to test the respondents. It was discovered that, the MSEs don't keep financial records, as a result of absence of book keeping learning skills and the cost of enlisting proficient book keepers. Therefore it is perceived to be wasteful in utilization of book keeping data to bolster money related performance estimation by SMEs. This made it difficult for the business visionaries to ascertain their business benefit proficiently. Absence of keeping the exact records, affected their full abilities and potentials in their perspective business field by the proprietors or administrators. The review additionally uncovered that the proprietors and supervisors of MSEs upon knowing the facts, were exceptionally ready and prepared to go through the training of proper book keeping skills for business transaction

## 15. Conceptual Frame work



#### IV. METHODOLOGY AND EMPIRICISM

In reference to Trochim (2006), it indicate that, a research is a structure of exploration to show how the greater part of once gathering from field work and the strategies for the task cooperate to address the focal research questions. We resorted to the use of descriptive method to design the research not excluding graphical representation of data. The descriptive design is the most appropriate design for this study because it depicts participants of the studies in accurate manner. Relating to the subject of studies, it guide in a perfect description of the accounting record keeping and it effect to performance of SMEs in the Ghana. Thus, it includes the accumulation of information with a specific end goals to answer questions concerning the present status of the situation at hand. It is appropriate for the research because it involves the use of logical methods of inductive and deductive reasoning of arriving at generalization (Best & Kahn, 1998). This design was chosen because it aims at primarily describing, observing and documenting situation as they naturally occur rather than explaining them. This design has the capacity to guide the research team to describe the effects, which accounting record keeping has on business performance.

The population size was created from all the micro, small and medium sizes ventures in the 10 regions of Ghana, both government recognized and unrecognized enterprises(informal sector businesses), which was estimated to be 10,000 MSMEs as a whole. (Sarantakos, 2005) defined population as the entire set of object and event or a group of people who are the object of research and about whom the researcher(s) wants to determine the characteristics. The Sample size was derived to be 7,935 taken the confidence level to be 95%, confidence interval as 0.5. Probability sampling method was adopted, specifically simple random sampling, which involves a straight forward sampling frame of all the people in the population. The response to the survey

rate was 98.3%, this was in accordance to Mitchell (1989) and Evan (1991), which argues that, a survey response rate should be calculated as the number of returned questionnaires divided by the total sample size. And further deduce that, for a rate to be greater than 80% from a small sample size is considered preferable to a low response rate from a large sample size. The research instrument used for the study was questionnaires. It is a set of questions for gathering information from individuals or groups (Bryman, 2012). The type of questionnaires technique used is fully structured and Semi-structured technique in a combined format, adopting five-point likert scale in the questionnaire programming. Finally a total of thirteen (13) questions were administered under five (5) categorize sections as follows:

- Section-1: Background information of respondents
- Section-2: Examining the kind of records keeping by MSMEs in Ghana
- Section-3: Examining the benefit of proper record keeping
- Section-4: Examining factors responsible for the reluctance of MSMEs to keep proper records
- Section-5: Examining the effects of accounting record keeping on business performance.

Data collected went through a meticulous process of editing, coding and analysis

### **1. Background formation of Respondents:**

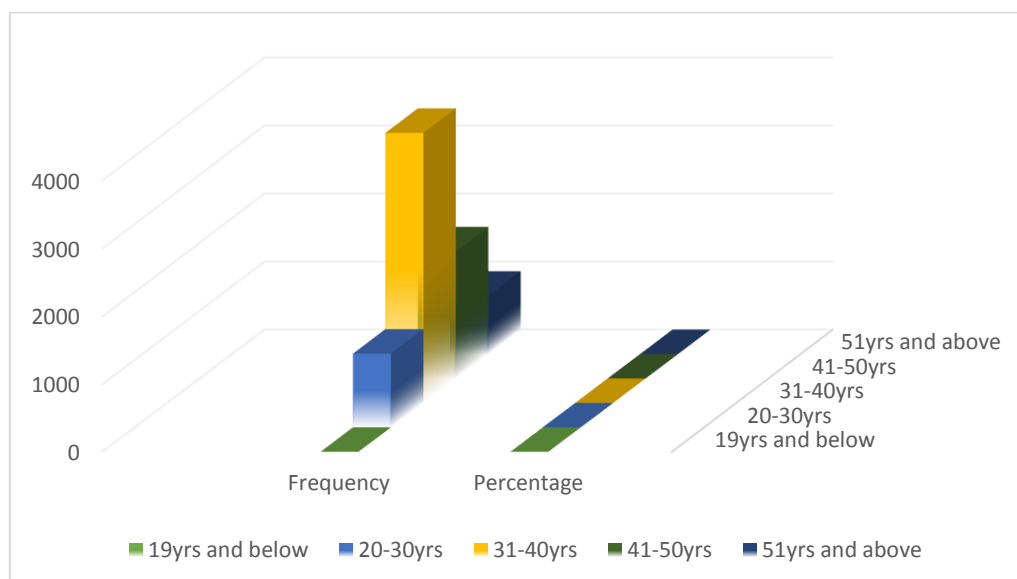
Under the section one, the data analysis was to examine the gender, age, educational level and the years of business operations in Ghana within the MSMEs ecosystem after a total of 7,935 questionnaires were administered with only 7,800 responding to the submitted questions.

Table 1. Define the gender distribution of respondents within the MSMEs ecosystem

<i>Gender</i>	<i>Frequency</i>	<i>Percentage</i>
<i>Male</i>	3,042	39%
<i>Female</i>	4,758	61%
<i>Total</i>	7,800	100%

*Source: Field Research, December, 2017*

Fig 2. Age of Respondents within MSMEs Ecosystem of Ghana



*Sources: Senzu- field work, December, 2017.*

It became empirically evident that, the age demography of 31-40 are dominating the MSMEs ecosystem of Ghana at an average percentage of 50.8 followed by 41-50yrs at 24.2%. With the population ratio of men to women in this sector of the market estimated to be 1:1.6, a very strong implication that, women are majority stakeholders in this sector of the market in Ghana



The data analysis for table 3 was to examine the educational level of the respondents within the MSMEs ecosystem of Ghana. Which is tabled below;

Table 3. Educational level of Respondents

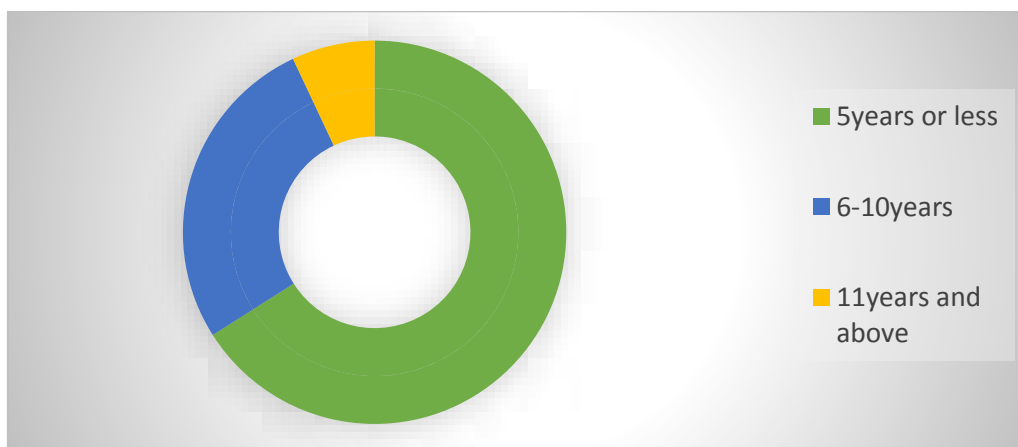
No.	Level of Education	Frequency	Percentage
1.	No, formal Education	780	10.1%
2.	With Basic Education	4,758	60.9%
3.	With High School Education	1,638	20.8%
4.	With University Education	624	8.2%
	Total	7800	100

*Source: Field Research, December 2017*

As the table 3 seek to project above, it is observed that, as the educational level rises in Ghana, there is a disinterest and reluctant of the graduates to aspire and enter into entrepreneurship ventures in the form of micro, small or medium scale enterprises. And the question is why? which we believe further studies in this area will be laudable to identify the cause factor

The final analytical study at this stage was to examine the demographical age of businesses characterized as MSMEs in Ghana’s economy, currently. Which is exhibited below as figure 4.

Figure 4. MSMEs age grade in Ghana



*Senzu-Field Research, December, 2017*

According to the Figure 4 above, most of the MSMEs businesses in Ghana’s economy could be classified as entities operating within the pre-maturity stage, with 65.8% justifying the argument empirically. It is also observed that, about 26.8% MSMEs could be placed in the maturity bracket within the age of 6-10yrs and finally only 7.4% is estimated to be existing from 11years and above, indicating that, it fall into the range of post maturity stage of the market functioning. The research team believe that, this could justify the reason why, this sector of the economy noted to be the engine of economic growth, has failed to translate to economic transformation of the country, assuming that, the stage of the business has significant effect on performance in productivity and efficiency level to the economy.

## 2. The Kind of Record keeping by MSMEs in Ghana

This section of the field work, was gathered to analyzed the data and examine the status of recording transactions among the MSMEs, the quality of their accounting records keeping and deeply examine the kind of accounting records they engages in.

Having empirical clarity of MSMEs owners that engages in records of business transactions, the table 5 below establishes this overview.

Table 5: MSMEs owners that records business transactions

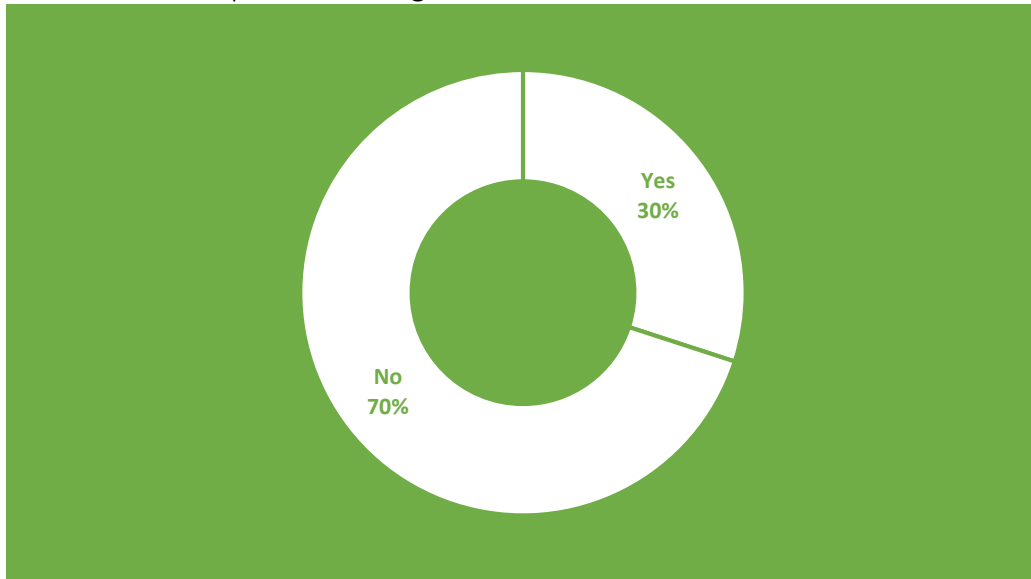
No.	Responses	Frequency	Percentage
1.	Yes	6396	82%
2.	No	1404	18%
	Total	7,800	100

*Source: Field Research, December 2017*

The table 5 Above, exemplify the attitude of MSMEs in Ghana towards records keeping and the data input was very impressive, having about 82% committed to records keeping, even though every indication point to the direction that, there is more room for improvement.

The next effort was to understand those who keeps proper accounting records and Figure 6. Below graphically display data in such context

Figure 6. MSMEs into Proper Accounting Records



*Senzu-Field Research, December 2017.*

The studies indicate with a respondents of 1919 represent 30% of the MSMEs who were into proper accounting records while 4,477 representing 70% of this category were into records keeping but could not confidently state, it was proper accounting records by all standards.

Therefore further diagnostics was conducted to observe what kind of book keeping was adopted by MSMEs, analyzing from the categories that submitted, they lack proper accounting records per the data and the findings was tabled as 7 below;

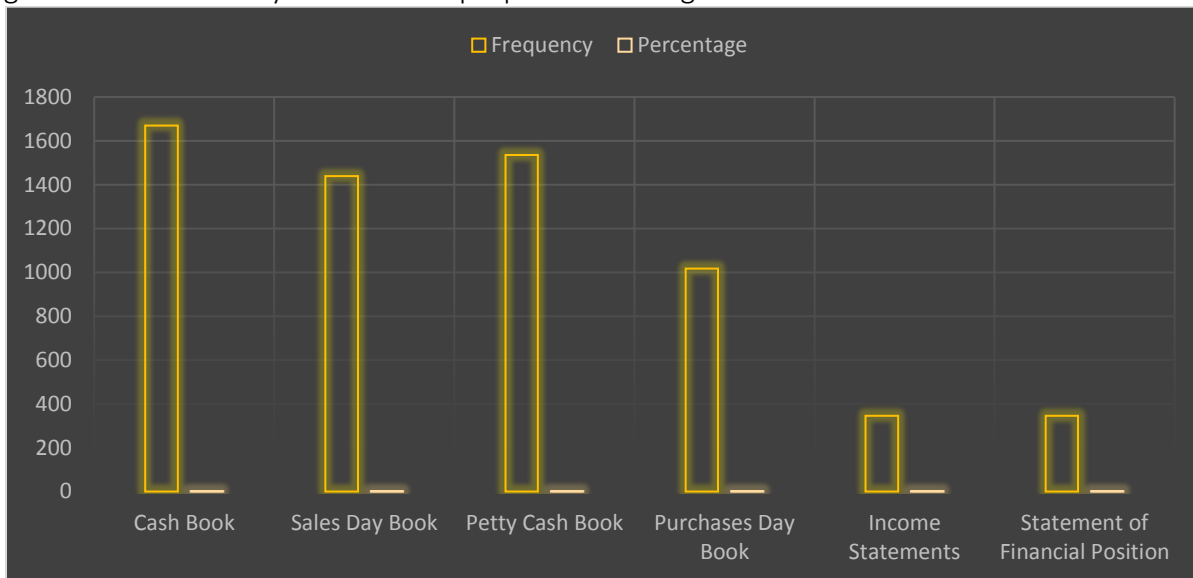
Table 7: Books Kept by MSMEs without Proper Accounting Records

No.	Books	Frequency	Percentage
1.	Receipts Books	3895	81.2%
2.	General Books	582	12.8%
	Total	4477	100

*Field Research, December 2017*

After the studies from those sections of the MSMEs who admitted of records keeping but could not guarantee the quality in accounting standards, this led to another studies, which was equally conducted to the other side, who had the confident in their records keeping as meeting the quality accounting standards with the data diagnostically analyzed, with their input graphically displayed as figure 8, below

Figure 8. Books used by MSMEs with proper accounting records



*Senzu-Field Research, December 2017*

Understanding according to fig.8 and table 7, how MSMEs keeps their accounting records in books, we further sort to know how this was done in the administrative arm of financial records keeping and table 9 below seek to empirically clarify.

Table 9: MSMEs record keepers

No.	Records Keepers	Frequency	Percentage
1.	Professional Accountant	384	6.4%
2.	Sales Officer	1215	18.5%
3.	Self-Owner	4797	75.1%
	Total	6396	100

*Field Research, December 2017*

It became evidenced that MSMEs that has relied on professional accountant to aid in records keeping were the very least in Ghana’s Economy, an estimate of 6.4% and with most resorting to personal recording of financial data’s of the business transactions, which is believed to be some of the causes of deficiencies in quality business performance of MSMEs in Ghana

### 3. The Benefits of Keeping Proper Records

This section, empirically exudes the benefits of keeping proper accounting records by MSMEs under the following reasons, as decision making, payment of tax requirements, to ascertain the financial position of the business and many others. As a result Table 10 below is designed to depicts the empirical observation of the respondents on this subject matter

Table 10. Benefits of keeping proper accounting records

Reasons	Strongly Disagree		Disagree		Uncertain		Agree		Strongly Agree	
	N*	%	N*	%	N*	%	N*	%	N*	%

For business decision making	0	0	0	0	585	7.5%	2964	38.2%	4235   54.3%
To have access to credit	1427	18.3%	1108	14.2%	523	6.7%	1817	23.3%	2925   37.5%
To be able to discharge accurate tax payments	0	0	1310	16.8%	585	7.5	3003	38.5%	2902   37.2%
To determine financial position of the business	0	0	0	0	0	0	3058	39.2%	4742   60.8%
To facilitate the managements of debtors and creditors	0	0	234	3.0%	2339	28.7%	2371	30.4%	2956   37.9%
To know the performance of the business	0	0	975	12.5%	1131	14.5%	2309	29.6%	3,385   43.4%

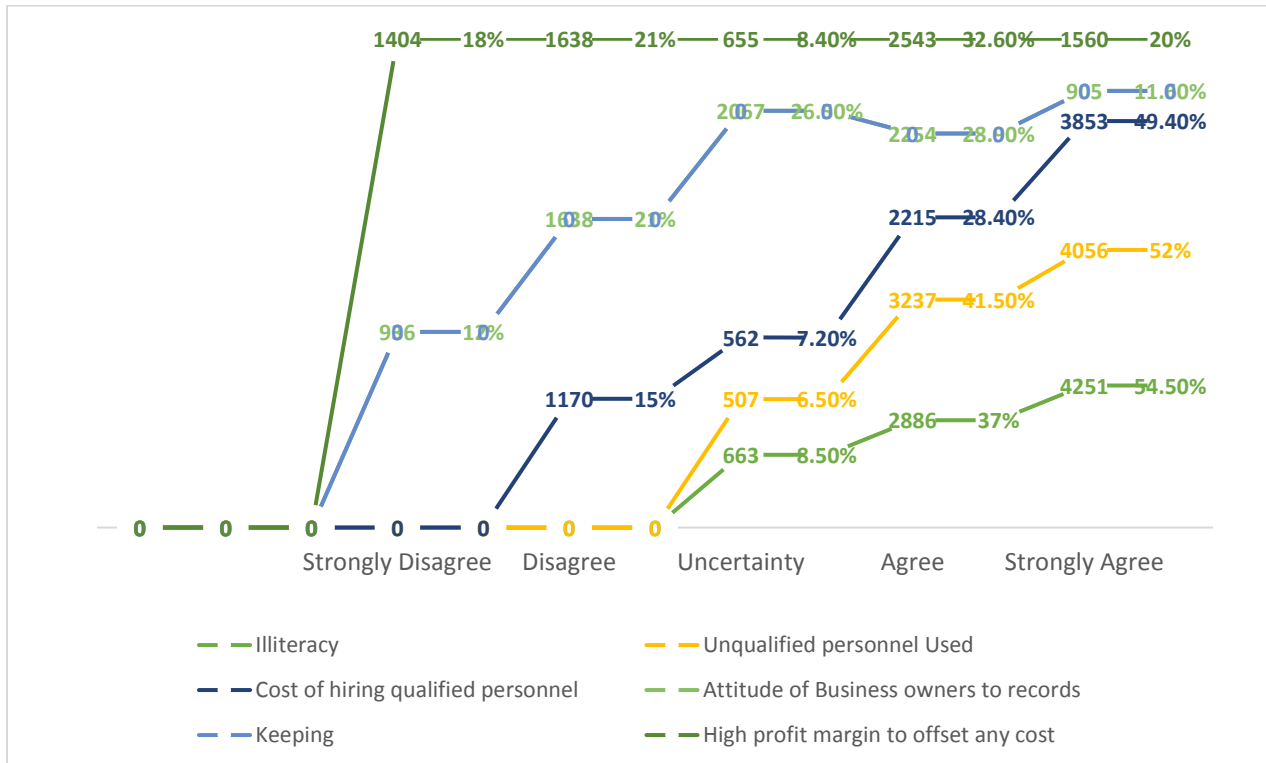
*Field Research, December 2017*

The table 10, empirically submit that, most of the MSMEs strongly agree that, proper accounting records guide in the determination of the financial position of the business, with 60.8% respondents attesting to that facts. Then followed by 54.3% who strongly agree, it aid in business decision making, while 43.4% strongly agree it help the business owners to have a good knowledge on the performance of the business. Last not the least, an estimate of 37.9% strongly accept that, it help to facilitate the managements of debtors and creditors and finally 37.5% in average, strongly believe it help to access credit from the financial institutions

#### 4. Factors Accounting for the failure of MSMEs to keep proper records

This section sort to examine and evaluate factors that causes the failure of MSMEs to keep records or have proper book keeping records to the benefit of their ventures. This findings was graphically displayed as figure 11.

Fig.11 Factors accounting for Lack of records or proper records for MSMEs in Ghana



*Senzu- Field Research, December 2017*

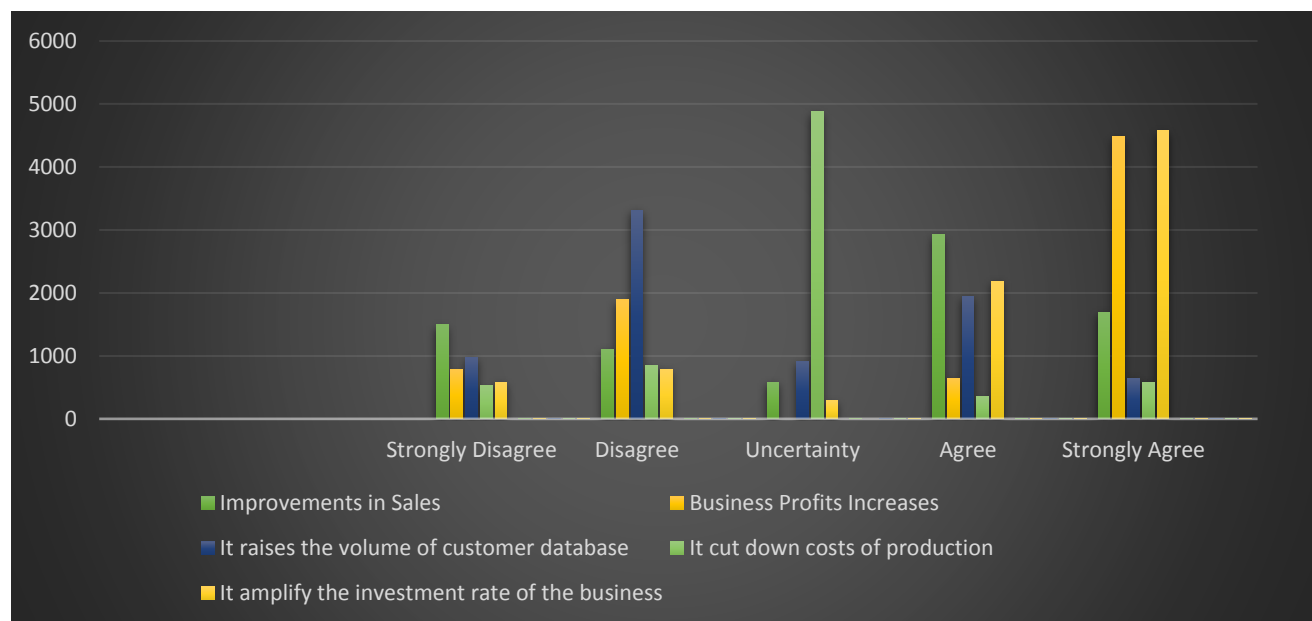
It was observed that majority of the MSMEs owners strongly agree that, lack of records keeping or possible proper records keeping is as a result of illiteracy, with average respondents of 54.5% attesting to this facts, while 52% of the sample population allude to the fact of the use of unqualified personnel, is largely a contributing factor. It was further observed that 49.4% of this sample population, suggest that poor records keeping, is largely caused by the high costs involved in the hiring of qualified personnel, with 28.9% agreeing to be the attitude of business

owners to records keeping. Finally 32.6% of the respondents agreed that, the cause of no records keeping by some of the MSMEs is largely due to high profit margin based on the nature of their ventures to offset any costs unexpected.

### 5. Examining the effects of accounting records keeping on MSMEs performance in Ghana

Under this section of data analysis and evaluation to ascertain a better understanding on how, the keeping of quality accounting records affects the performances of MSMEs businesses in Ghana, the empirical justification was graphically displayed as figure 12. Below

Fig.12 Effects of accounting records keeping on the performances of MSMEs



*Senzu- Field Research, December 2017*

It became evidently clear that, about 57.5% of the respondents strongly agree that quality records keeping increases the profits of the business. Even though 62.5% express uncertain, whether effective records keeping cut down costs of production but 58.7% of the entire sample



population strongly agreed that quality records keeping amplify the investment attraction rate of the business with 37.5% believing it helps in the improvement of sales as it is graphically displayed by figure 12 above.

## V. FINDINGS

1. Several of the MSMEs do not keep legitimate book of accounts and few once keep records such as petty cash book and Sales day book, which seems to agree with the findings of Abudu & Azeko (2015) that only a minute of SMEs keep good accounting records
2. We have more of the females in MSMEs ecosystem of Ghana than it male's counterpart. Furthermore it observed that the age group of 31-40yrs dominate in that sector with majority noted of holding basic school certificate as their highest educational level attained
3. Majority of the MSMEs about 65.8% were below 5yrs of existence in the economy of Ghana, which under the classification of World Bank operational analysis of SMEs are categorize as ventures in pre-maturity stage.
4. University graduate in Ghana are very less attracted to MSMEs sector of operation as a source of employment yet majority are jobless and stay at home.

5. It was observed that, there was a high commitment of MSMEs owners to business transactional records keeping, having 82% representing such volume of the market, who practiced record keeping. With 60.8% strongly agreeing to the value of quality records keeping, helping to determine the financial position of the business. However it was admitted by 54.5% of the respondents, poor records keeping or failure to keep records was as a result of illiteracy rate among the MSMEs ecosystem of Ghana. Finally with 58.7% expressing the greatest benefit of quality records keeping, is the amplification of investment attraction rate to the business

## VI. CONCLUSION

What could had been the reason why most of the MSMEs businesses are in the pre-maturity stage in their existence in Ghana's economy after six decades of independence? The study suggested, it largely caused by poor business environment as a result, most of the MSMEs collapse nearly in their 5<sup>th</sup> year, for a new born of ventures in a continual circle of this nature and this call for an urgent critical look into Business policies of Ghana by the Ministry of Trade & Industry as the government arm in charge of business development.

Largely most of the MSMEs engage in business transactional records that lack quality accounting records to affect performance of business. Hence government interest should be shifted to this direction as well, as a vital sector of the economy to support the difficulties in addressing this issues of quality records keeping for a sustainable and profitable ventures that stand to significantly contribute to the macro economy of Ghana.

## VII. RECOMMENDATION

1. Special studies need to be conducted to examine, why Ghanaian University graduates shows a high disinterest in MSMEs sector as job opportunities and Entrepreneurship aspirations
2. Examine why most of the MSMEs fall into the pre-maturity stage of existence within the Ghanaian economy and whether it has a significant impact on why this sector of the economy is not translating as the engine of growth to Ghana's economy as anticipated
3. Investment Companies should be invited periodically to engage MSMEs on the need for proper accounting records to warrant foreign direct investment into their businesses
4. Training should be organized for the MSMEs on the application of accounting software's like the TOPAZ or structured accounting books for usage, to help keep proper accounting records
5. NBSSI as an Institution under MOTI passed by Law in the Republic of Ghana to oversee this sector of the economy, to make an effort to setup an "Accounting Aids" as an Internal agency in helping MSMEs to keep proper accounting records without cost or minimal charges to assist members organization.

## VIII. APPENDIX

1. MSME- Micro, Small and Medium Scale Enterprise
2. SME- Small and Medium Scale Enterprise
3. NBSSI- National Board of Small Scale Industry
4. MOTI- Ministry of Trade and Industry
5. TOPAZ- Name of Accounting Software
6. SSE- Small Scale Enterprise
7. GSS- Ghana Statistical Service
8. EC- European Union Commission
9. AGI- Association of Ghana Industries
10. GCC1- Ghana Chamber of Commerce & Industry
11. IASB- International Accounting Standards Board

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