Accounting Records and Small Business Start-Up and Development in Enugu State

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The study was to evaluate was to evaluate accounting records and small business start-up and development in Enugu State. The specific objectives were to: examine the effect of recording monetary transaction in small business in Enugu State; evaluate the effect of checks and invoices in small business start-ups in Enugu State and investigate the effect of recording assets and liabilities in small business in Enugu State. The area of study was made up of the small businesses start-ups and development in Enugu state, Nigeria and from selected members of various market associations of livestock farmers, Business centers, Block industries, pure water producers, Events planners, etc. The study used the survey approach. The primary sources were personal interview and the administration of questionnaire. A population of 6,455 small business starts-ups was used. The population of the study was drawn from the groups under study using a stratified sampling method. To determine the adequate sample size of 363, using Freund and William's statistic formula. 348 staff returned the questionnaire and accurately filled. That gave 96 percent response rate. The validity of the instrument was tested using content analysis and the result was good. The reliability was tested using the Pearson correlation coefficient (r). It gave a reliability co-efficient of 0.83 which was also good. Data was presented and analyzed by mean score (3.0 and above agreed while below 3.0 disagreed) and standard deviation using Sprint Likert Scale. The hypotheses were analyzed using Z-test-statistics tool. The findings indicated that recording monetary transaction has positive effect on small business in Enugu State Z (95, n = 348) =5.215, p < 0.05. Checks and invoices have positive effect on small business start-ups in Enugu State Z (95, n = 348) =4.096, p < 0.05 and Recording assets and liabilities have positive effect on small business in Enugu State Z (95, n = 348) =5.983, p < 0.05. The study concluded that the study concluded that recording monetary transaction, checks and invoices and recording asset and liabilities have positive effect on small business start-up and development in Enugu state. The study recommended that small business scale firm owners should be encouraged to recruit skilled personnel especially accounting staff. The product of these skilled accounting will help the small-scale firms to stand firm instead of wound up.

ABSTRACT

Keywords: *Accounting Records, Monetary Transaction, Checks and Invoices, Assets and Liabilities, Small Business*

1. Introduction

Accounting is one of the most important aspects of starting and operating a successful business. So, business owners beware. The streets of entrepreneurship are littered with former business owners who ignored the financials of their business only to discover too late that they were operating at a loss, not a profit. While it is easy to get caught up in the glamorous task of designing your website or choosing the perfect business name, without a solid understanding of the numbers, you will not survive. Record keeping is one of the most important responsibilities as a small business owner. The success of a business depends on creating and maintaining an effective record system, whether the business is a sole proprietorship, partnership, or corporation. As economic activities progressed from the fundable to agriculture continued to adapt to the need of the society. As business unit becomes more complex and broader on scope, accounting evolved in response to the increased planning and control responsibilities of management. As government grows in size and becomes more centralized, accounting was developed to meet the increased accountability (Zahorsky, 2019).

It is often stated that business decisions need to be supported by good and quality financial information which needs to be relevant, user friendly and available in a timely manner, (Abdulrasheed, Khadijat and Oyebola, 2012). Where appropriate accounting should be an active steering tool to run and manage a business instead of representing another administrative burden that the sole proprietor has to comply with. It is important that the accounting systems for one-man businesses should fulfill such functions as providing essential financial information for the owners and managers in order for them to be able to manage the business in a competitive environment and to make informed decisions to prevent business failure and to expand the business. However, owners of one-man businesses may have particular needs and conditions, so that accounting systems need to be flexible in order not to impose unnecessary operative burdens (Abdulrasheed, Khadijat and Oyebola, 2012). Smaller companies may be able to maintain closer client relation and better customer relation than the larger ones. This difference in operation technique may influence deficit in accounting method employed in generating financial information, (Abdulrasheed, Khadijat and Oyebola, 2012). Among the different principles that firm may employ are different inventory techniques, depreciation method, method of accounting for income taxes and revenue recognition procedures.

Depending on the size of the business and number of sales, one can create own ledgers and reports, or rely on accounting (Haka, Williams, Bettner, and Carcello, 2018). The impact of accounting is a function of the benefit that are derived by the members of the society who had bind themselves into the social organization of their survival and want satisfaction quest (Anyigbo, 2010). Business benefit from availability of accounting information, equality important is the availability of accounting that facilitates the solution or resolution of business planning, organization and control function of the enterprises as a social organization. Most small-scale firm owners prefer to recruit unskilled personnel especially clerical and accounting staff. The product of these unskilled accounting (clerical staff) has only succeeded in helping the small-scale firms to stagnate; some firms have even wound up. This was because unskilled accounting staff could not keep reliable accounting records that would stand the test of time statutory; such staff could not correctly determined the profit or loss of the firm preparing profit and loss account. (Onaolapo and Adegbite, 2014; Boachie- Mensah and Marfo-Yiadom, 2015).

The place of sound accounting and internal control systems in any business, irrespective of its scale, cannot be overemphasized. A vast majority of small-scale businesses cannot afford the complexity of a detailed accounting system even if they would have. Hence, the existence of single entries in their books and in some cases on incomplete records (Wood, 1979; Onaolapo, et al., 2011). Audits of small-scale enterprises have proven to be among the most worrisome for professional accountants because of the inadequacy of the internal controls. Except for statutory demands, small and medium scale enterprises hardly give serious thoughts to the process of sound accounting, yet the inadequacy and ineffectiveness of accounting processes have been responsible for untimely collapse of a host of them (Mukaila and Adeyemi, 2011). The level of book keeping and accounting in one-man businesses have created many problems against the effective operation and accountability of a sole proprietorship. One man business suffers disproportionately from the regulatory burden compared to large companies, since the smaller enterprises often do not have sufficient financial and human resources to manage their obligations in the most efficient way (Abdulrasheed, Khadijat & Oyebola, 2012). Meanwhile, a number of Small-scale Enterprises have not given much attention to book keeping in relation to their business transaction, despite its importance in the success of businesses. This could be lack of sound knowledge in book keeping practices by owners or respective managers

(Onaolapo and Adegbite, 2014). The study therefore aimed at examining accounting records and business start-up and development in Enugu State.

Statement of the Problem

Accounting records provide a basis for complete and accurate income tax computation, a basis for sound planning for the future and basis for discussion with partners, potential investors, and lenders all these are important aspects which enhance performance of the business.

In spite of their numbers, and significance, recent studies show that 60% of these small businesses fail within the first five years of operation. Studies also show that it is hard for the SMEs to access finances from the financial institutions since they lack proper financial records as a requirement. The SMEs inability, many times to live beyond their first few months of existence has been attributed partly to lack of proper accounting record.

This has led to loss of assets, and no track of liabilities. This investigation is therefore a reaction to the test by striving to observationally examine accounting records and business start-up and development in Enugu State.

Objectives of the Study

The main objective of the study was to evaluate accounting records and small business start-up and development in Enugu State. The specific objectives were to:

i.   Examine the effect of recording monetary transaction in small business in Enugu State.

ii.   Evaluate the effect of checks and invoices in small business start-ups in Enugu State.

iii.   Investigate the effect of recording assets and liabilities in small business in Enugu State.

Research Questions

i.   What is the effect of recording monetary transaction in small business in Enugu State?

ii.   What is the effect of checks and invoices in small business start-ups in Enugu State?

iii.   What is the effect of recording assets and liabilities in small business in Enugu State?

Statement of Hypotheses

The following alternate hypotheses guided the study.

i.   Recording monetary transaction has positive effect on small business in Enugu State.

ii.   Checks and invoices have positive effect on small business start-ups in Enugu State.

iii.   Recording assets and liabilities have positive effect on small business in Enugu State.

2. Review of related Literature

Conceptual Review

Accounting Record

Accounting records are the original source documents, journal entries, and ledgers that describe the accounting transactions of a business. Accounting records support the production of financial statements. They are to be retained for a number of years, so that outside entities can inspect them and verify that the financial statements derived from them are correct. Auditors and taxing authorities are the entities most likely to inspect accounting records. Examples of accounting records are the general ledger, all subsidiary ledgers, invoices, bank statements, cash receipts, and checks (Alia, 2018).

An accounting records, retains and reproduces financial information relating to financial transaction flows and financial position. Financial transaction flows encompass primarily inflows on account of incomes and outflows on account of expenses. Elements of financial position, including property, money received, or money spent, are assigned to one of the primary groups, that is, assets, liabilities, and equity. Within these primary groups each

distinctive asset, liability, income and expense is represented by respective "account". An account is simply a record of financial inflows and outflows in relation to the respective asset, liability, income or expense. Income and expense accounts are considered temporary accounts, since they represent only the inflows and outflows absorbed in the financial-position elements on completion of the time period (Haka, Williams, Bettner, and Carcello, 2018).

Small Business
Small enterprise is a privately owned and operated business, characterized by a small number of employees and low turnover. A small business usually only shares a tiny segment of the market it operates in. mall scale enterprises (also, small-scale businesses) are essential to the economy for industrial growth and diversification. The definition of a small-scale enterprise may vary in different economies of the world, but the underlying concept is the same. Some measures used to define small-scale enterprises include annual sales, asset valuation, net profit, headcount and balance sheet totals. Perhaps the most important measure in defining small-scale enterprises is the number of people employed by the business. Small-scale enterprises operate in diverse industries. Common types are bakeries, convenience stores, law firms, accounting firms, guest houses and small-scale manufacturing facilities (Khan, 2017).

Small businesses are privately owned corporations, partnerships, or sole proprietorships that have fewer employees and/or less annual revenue than a regular-sized business or corporation. Businesses are defined as "small" in terms of being able to apply for government support and qualify for preferential tax policy varies depending on the country and industry. Small businesses range from fifteen employees under the Australian Fair Work Act 2009, fifty employees according to the definition used by the European Union, and fewer than five thousand employees, to qualify for many U.S. Small Business Administration programs. While small businesses can also be classified according to other methods, such as annual revenues, shipments, sales, assets, or by annual gross or net revenue or net profits, the number of employees is one of the most widely used measures.

Small-scale enterprise in many countries include service or retail operations such as convenience stores, small grocery stores, bakeries or delicatessens, hairdressers or trades people (e.g., carpenters, electricians), restaurants, guest houses, photographers, very small-scale manufacturing, and Internet-related businesses such as web design and computer programming. Some professionals operate as small businesses, such as lawyers, accountants, dentists and medical doctors (although these professionals can also work for large organizations or companies). Small businesses vary a great deal in terms of size, revenues and regulatory authorization, both within a country and from country to country. Some small businesses, such as a home accounting business, may only require a business license. On the other hand, other small businesses, such as day cares, retirement homes and restaurants serving liquor are more heavily regulated, and may require inspection and certification from various government authorities (Healeas, Purdy, Stanworth & Watson, 2014).

Start-up and Development of Business
Startup business are newly born businesses which struggle for existence. These entities are mostly formed based on brilliant ideas and grow to succeed. However, startups are diversified and complex in nature, these entities have their lifecycle of development. (Salamzadeh, 2015). Since the sequence of activities and stages might vary among different startups, a holistic perspective is presented to offer a better understanding of the lifecycle of startups. The stages are as follows

(i) **Bootstrapping Stage**: In this very early stage, the entrepreneur himself/herself initiates a set of activities to turn his/her idea into a profitable business. However, he/she considers a higher risk or even uncertainty level, continues working on the new venture idea, makes a team, uses personal funds, and asks family members and friends for their investment in the idea. Bootstrapping, which is sometimes defined as highly creative ways of acquiring the use of resources without borrowing, is considered to be one of the areas of entrepreneurship research that most need to be addressed. The purpose of this stage is to position the venture for growth by demonstrating product feasibility, cash management capability, team building and management, and customer acceptance (Brush, Carter, Gatewood, Greene & Hart, 2016).

(ii) **Seed Stage:** After the bootstrapping stage, the founder enters into a new stage, which is the seed stage1. This stage is characterized by team work, prototype development, entry into market, valuation of the venture, seeking for support mechanisms such as accelerators and incubators, and average investments to grow the startup. Frankly speaking, for most startups the seed stage is a mess and is construed as highly uncertain

(Salamzadeh, 2015 a). The seed stage is characterized by the initial capital that is used to do product and/or service (Manchanda & Muralidharan, 2014). Thus, founder seeks for support mechanisms such as accelerators, incubators, small business development centers, and hatcheries to accelerate the process. A great number of startups fail in this stage. Since they could not find support mechanisms and in best case they would turn to a low profit company with a low rate of success. On the other hand, those who succeed in receiving support would have a higher chance of becoming profitable companies. It goes without saying that valuation is normally done at the end of this stage.

(iii) **Creation stage:** Creation stage occurs when the company sells its products, enters into market, and hires first employees (Salamzadeh, 2015). At the end of this stage, organization/firm is formed and corporate finance is considered as the main choice for financing the firm. Venture capitals could facilitate the creation stage, by funding the venture.

Recording monetary transactions
Control of your financial recordkeeping begins with accurately recording pertinent transactions. Recording monetary transactions involves the process of the daily record-keeping of all of a company's financial transactions. It involves recording the day-to-day sales. Book-keepers record the sales, expenses, cash and bank transactions of the business in a general ledger. One of the important habits you should develop when you start a business is recording transactions in your journal and ledger. The ledger and its accuracy are central to your company's finances. Recording these transactions is referred to as posting. A bookkeeper may also generate invoices and/or complete payroll. The complexity of the bookkeeping process depends on the size of your business and the number of transactions conducted daily, weekly, and monthly.

Theoretical Framework

Records life-cycle

Fadokun, (2014) sets that the records life-cycle comprises of discrete stages covering the life span of a record from its creation to its final air. In the creation stage, records development is clarified by present day electronic frameworks. Records will continue to be made and caught by the organization at a dangerous rate as it directs the business of the organization. Correspondence regarding an item disappointment is composed for internal initiative, financial explanations and reports are produced for open and administrative scrutiny, the old corporate logo is resigned, and another one – including shading plan and endorsed corporate text style – has its spot in the organization's history.

All through the records life cycle, issues, for example, security, protection, calamity recuperation, emerging advances, and mergers are tended to by the records and information management professional in charge of organizational projects. Records and information management professionals are instrumental in controlling and safeguarding the information resources of the element. They understand how to manage the creation, get to, conveyance, stockpiling, and demeanor of records and information in a productive and financially savvy manner using records and information management system, principles, and best practices in compliance with records and information laws and guidelines.

Empirical Review

Amissah, (2011) proper bookkeeping and basic accounting procedures in small-scale enterprises in Kumasi. The objective of the research was to find out the need for proper bookkeeping and basic accounting procedures in small-scale enterprises. The researcher used qualitative method, supplemented by statistical analysis of the survey data. The findings confirmed an apparent non-existence of proper bookkeeping and basic accounting procedures in small-scale enterprises. The study found out that there was lack of managerial skills especially in basic accounting principles and bookkeeping procedure among SSEs in the country. the study cannot be said to be conclusive. For instance, the study could not identify the extent to which each managerial problem identified; affected the growth of the small-scale enterprises in the country. The study recommended that much attention ought to be given to proper

bookkeeping and basic accounting procedures in small-scale enterprises and those owners should be educated to keep away their personal transactions from their business entities.

Ezejiofor, Ezenyirimba and Moses (2014)conducted a study to determine the contributions of accounting records in efficient performance of small-scale business. Two hypotheses were formulated in line with the objectives of the study. Survey method was adopted and data were collected through the use of questionnaire. Data generated were analyzed with means, standard deviation and weighted value and the hypotheses formulated were tested using Z-test statistical technique. The study found The training of accountants by these institution and the various professional institutes should focus more on practical means of solving accounts reporting needs of small and medium scale enterprises; and that government should provide adequate financial assistance, this is because if there is adequate financial support, more unemployed Nigerians will engage in small-scale enterprises thereby gain their means of living easily than looking for unavailable while collar job. The researchers recommend that the training of accountants by these institution and the various professional institutes should focus more on practical means of solving accounts reporting needs of small and medium scale enterprises; and that government should provide adequate financial assistance, this is because if there is adequate financial support, more unemployed Nigerians will engage in small-scale enterprises thereby gain their means of living easily than looking for unavailable while collar job.

Onaolapo & Adegbite (2014) conducted a study on the Analysis of the impact of Accounting Records Keeping on the Performance of the Small-scale Enterprises in Nigeria. The objective of the study was to investigate the effect of accounting records keeping on Small-scale enterprises in Nigeria. A descriptive design such as personal interviews and questionnaire were employed as the major techniques for primary data collection. Data collected were analyzed using both the qualitative and quantitative methods. The descriptive statistics used were tables and percentages. Chi-square and analysis of variance (ANOVA) were employed to analyze data through STATA 10 version with the coefficient of determination (R2) 0.8974 which implied that 89.7% of the variation in financial performance could be explained by the level of accounting records keeping. Following the outcome of this study, Findings showed that there is a strong positive relationship between accounting record keeping and performance of small-scale enterprises. The study concluded that there is a strong positive relationship between accounting records keeping and performance of small-scale enterprises. Accounting records keeping is essential for decision making which invariably affects performance of small-scale enterprises. It is recommended that the owners and managers of the small-scale enterprises should embrace proper accounting records keeping practices for effective financial performance in their business.

Ezejiofor, Olise, and Ezenyilimba (2014) conducted a study on the relevance of accounting records in small-scale business: The Nigerian experience. The objective of the study was to determine the contributions of accounting records in efficient performance of small-scale business. Two hypotheses were formulated in line with the objectives of the study. Survey method was adopted and data were collected through the use of questionnaire. Data generated were analyzed with means, standard deviation and weighted value and the hypotheses formulated were tested using Z-test statistical technique. The study found that accounting records keeping contributes significantly to the performance of small-scale business. The study concluded that the accounting records keeping contribute to the performance of small-scale business hence small-scale business not actually kept proper accounting records of their activities; they could be encouraged by customized adaptive systems. The study recommended that the training of accountants by these institution and the various professional institutes should focus more on practical means of solving accounts reporting needs of small and medium scale enterprises; and that government should provide adequate financial assistance, this is because if there is adequate financial support, more unemployed Nigerians will engage in small-scale enterprises thereby gain their means of living easily than looking for unavailable while collar job.

Aladejebi & Oladimeji (2019) carried out a research on the impact of record keeping on the performance of selected small and medium enterprises in Lagos Metropolis, Nigeria. The objective of the study was to analyse the extent to which accounting information is being used to measure the financial performance of SMEs. Questionnaires were administered to 200 SMEs owners out of which 197 questionnaire were valid and analysed using Likert scale. The study found that majority of the SMEs operators lack basic accounting knowledge and decry the cost involved in

preparing financial statement and hence resort into keeping the records themselves and in most cases manually. The study concluded that the cost involved in business failure as a result of lack of proper record keeping (e.g mismanagement of resources and poor cash management) far outweigh the cost of preparing proper record for any business concern. The study recommends that SMEs operators should seek for basic accounting knowledge to enable them maintain some records properly and where possible engage the services of SMEs Professionals who will be able to keep proper record and prepare relevant financial report at a minimal cost for the business, banks and for other third-party usage.

3. Methodology

The area of study was made up of the small businesses start-ups and development in Enugu state, Nigeria and from selected members of various market associations of livestock farmers, Business centers, Block industries, pure water producers, Events planners, etc. The study used the survey approach. The primary sources were personal interview and the administration of questionnaire. A population of 6,455 small business starts-ups was used. The population of the study was drawn from the groups under study using a stratified sampling method. To determine the adequate sample size of 363, using Freund and William's statistic formula. 348 staff returned the questionnaire and accurately filled. That gave 96 percent response rate. The validity of the instrument was tested using content analysis and the result was good. The reliability was tested using the Pearson correlation coefficient (r). It gave a reliability co-efficient of 0.83 which was also good. Data was presented and analyzed by mean score (3.0 and above agreed while below 3.0 disagreed) and standard deviation using Sprint Likert Scale. The hypotheses were analyzed using Z-test-statistics tool

4. Data presentation and analyses.

Research question One: What is the effect of recording monetary transaction in small business start – up in Enugu state?

Table 4.2: Responses to research question One: Recording monetary transaction in small business start – up in Enugu state

		5 SA	4 A	3 N	2 D	1 SD	∑FX	-X	SD	Decision
1.	Recording sales made to customers at sales price, identifies the sources of income in our business.	100 20	740 185	153 51	124 62	30 30	1147 348	3.3	1.10	Agree
2.	The record of returns of some of the inventory enhances cash flows of our business and performance.	700 140	440 110	108 36	80 40	22 22	1350 348	3.9	1.24	Agree
3.	Putting down cost helps to keep track of our deductible expenses.	520 104	372 93	168 56	72 36	59 59	1191 348	3.4	1.44	Agree
4.	Preparing our financial statement is made possible through proper recording in our small business	770 154	184 46	168 56	136 68	24 24	1282 348	3.7	1.38	Agree
5	The preparation of our tax returns is easily facilitated by record keeping.	575 115	728 182	96 32	6 3	16 16	1421 348	4.1	.93	Agree
	Total grand mean and standard deviation							3.7	1.22	

Source: Field Survey, 2020

Table 4. 2, 205 respondents out of 348 agreed that Recording sales made to customers at sales price, identifies the sources of income in our business with mean score of 3.3 and standard deviation of 1.10, The record of returns of some of the inventory enhances cash flows of our business and performance with 250 respondents agreed and mean score of 3.9 and standard deviation of 1.24. Putting down cost helps to keep track of our deductible expenses with 197 respondents agreed and with mean score of 3.4 and standard deviation of 1.44. 200 respondents agreed that preparing our financial statement is made possible through proper recording in our small business with mean score of 3.7 and 1.38. The preparation of our tax returns is easily facilitated by record keeping with 297 respondents agreed with a mean score of 4.1 and standard deviation of .93.

Research question Two: What is the effect of checks and invoices in small business start-ups in Enugu state?

Table 4.2: Responses to Research Question Two

		5 SA	4 A	3 N	2 D	1 SD	∑FX	-X	SD	Decision
1	Documentation of cancelled checks facilitates our account balancing in our small business.	955 191	436 109	45 15	28 14	19 19	1483 348	4.3	1.09	Agree
2	Writing down paid bills, payrolls to help s to provide financial information in our business.	685 137	400 100	135 45	36 18	48 48	1304 348	3.7	1.38	Agree
3	Proper documentation of essential elements of the internal control structure empowers our effectiveness	815 163	456 114	90 30	58 29	12 12	1431 348	4.1	1.09	Agree
4	Keeping check helps to monitor the progress of our business	810 162	488 122	93 31	34 17	16 16	1441 348	4.1	1.07	Agree
5	Invoices assists and indentifies sources of your income.	875 175	476 119	75 25	24 12	16 17	1465 348	4.2	1.05	Agree
	Total grand mean and standard deviation							**4.1**	**1.35**	

Source: Field Survey, 2020

Table 4. 2, 300 respondents agreed out of 348 that documentation of cancelled checks facilitates our account balancing in our small business with mean score of 4.3 and standard deviation of 1.09, 237 of respondents agreed that writing down paid bills, payrolls to help s to provide financial information in our business with mean score of 3.7 and standard deviation of 1.38. Proper documentation of essential elements of the internal control structure empowers our effectiveness with 277 respondents agreed with mean score of 4.1 and standard deviation of 1.09. 284 respondents agreed that Keeping check helps to monitor the progress of our business with mean score of 4.1 and 1.07. Invoices assists and indentifies sources of your income with 294 respondents agreed with a mean score of 4.2 and standard deviation of 1.05.

Research question Three: What is the effect of recording assets and liabilities in small business start – ups in Enugu state?

Table 4.3: Responses to research question three: The effect of recording assets and liabilities in small business start – ups in Enugu state

		5 SA	4 A	3 N	2 D	1 SD	∑FX	-X	SD	Decision
1	The recording of accounting receivables have improved the management of our small business	980 196	600 120	36 12	22 11	9 9	1647 348	4.7	.900	Agree
2	Taking cognizance of prepaid expenses have enhanced the development of our small business	785 157	540 135	51 17	38 19	20 20	1434 348	4.1	1.11	Agree
3	Keeping record of our cash in hand and in bank has influenced our small business in Enugu state.	645 129	632 158	57 19	44 22	20 20	1398 348	4.0	1.10	Agree
4	The effective inventory keeping of our small business has increased cash flow.	135 27	916 229	87 29	76 38	25 25	1239 348	3.6	1.03	Agree
5	Taking records of our systems - computer equipments and other office machines gives us proficiency in our small business	695 139	472 118	117 39	36 18	34 34	1354 348	3.9	1.26	Agree
	Total grand mean and standard deviation							**4.1**	**1.08**	

Source: Field Survey, 2020

Table 4.3, 316 respondents agreed out of 348 that the recording of accounting receivables have improved the management of our small business with mean score of 4.7 and standard deviation of .900, 292 of respondents agreed that taking cognizance of prepaid expenses have enhanced the development of our small business with mean score of 4.1 and standard deviation of 1.11. Keeping record of our cash in hand and in bank has influenced our small business in Enugu state with 269 respondents agreed with mean score of 4.1 and standard deviation of 1.10. 234 respondents agreed that keeping record of our cash in hand and in bank has influenced our small business in Enugu state with mean score of 4.0 and 1.10. Taking records of our systems - computer equipment and other office with 287respondents agreed with a mean score of 3.9 and standard deviation of 1.26.

Test of Hypotheses

Hypothesis One:
Recording monetary transaction has positive effect on small business start-up and development in Enugu state.

Table 4.4: Z – Test on Hypothesis One

		Recording monetary transaction has positive effect on small business start-up and development in Enugu state
N		348
Normal Parameters	Mean	3.672
	Std Deviation	1.217
Most Extreme	Absolute	.280
Most Extreme	Positive	.180
Differences	Negative	-.280

Kolmogorov-Smirnon Z		5.215
Asymp. Sig.(2-tailed)		.000

    a.   Test distribution is Normal
    b.   Calculated from data

Decision Rule

If the calculated Z-value is greater than the critical Z-value (i.e Z_{cal} > $Z_{critical}$), reject the null hypothesis and accept the alternative hypothesis accordingly.

Result

With Kolmogorov-Smirnon Z – value of 5.215 and on Asymp. Significance of 0.000, the responses from the respondents as display in the table is normally distributed. This affirms that the assertion of the most of the respondents that recording monetary transaction has positive effect on small business start-up and development in Enugu state.

Decision

Furthermore, comparing the calculated Z- value of 5.215 against the critical Z- value of 1.96 (2-tailed test at 95% level of confidence) the null hypothesis was rejected. Thus, the alternative hypothesis was accepted which states that recording monetary transaction has positive effect on small business start-up and development in Enugu state.

Hypothesis Two: Checks and invoices have positive effect on small business start-up and development in Enugu state.

Table 4.5: Z – test on Hypothesis Two

		Checks and invoices have positive effect on small business start-up and development in Enugu state
N		348
Normal Parameters	Mean	4.096
	Std Deviation	1.137
Most Extreme	Absolute	.271
Most Extreme	Positive	.215
Differences	Negative	-.271
Kolmogorov-Smirnon Z		5.049
Asymp. Sig.(2-tailed)		.000

    a.   Test distribution is Normal
    b.   Calculated from data

Decision Rule

If the calculated Z-value is greater than the critical Z-value (i.e Z_{cal} > $Z_{critical}$), reject the null hypothesis and accept the alternative hypothesis accordingly.

Result

With Kolmogorov-Smirnon Z – value of 4.096 and on Asymp. Significance of 0.000, the responses from the respondents as display in the table is normally distributed. This affirms that the assertion of the most of the respondents that checks and invoices have positive effect on small business start-up and development in Enugu state.

Decision

Furthermore, comparing the calculated Z- value of 4.096 against the critical Z- value of 1.96 (2-tailed test at 95% level of confidence) the null hypothesis was rejected. Thus, the alternative hypothesis was accepted which states that checks and invoices have positive effect on small business start-up and development in Enugu state.

Hypothesis Three: Recording asset and liabilities in small business start-up and development in Enugu state.

Table 4.5: Z – test on Hypothesis Three

		Recording asset and liabilities in small business start-up and development in Enugu state.
N		348
Normal Parameters	Mean	4.000
	Std Deviation	1.078
Most Extreme	Absolute	.309
Most Extreme	Positive	.219
Differences	Negative	-.321
Kolmogorov-Smirnon Z		5.983
Asymp. Sig.(2-tailed)		.000

    a.   Test distribution is Normal
    b.   Calculated from data

Decision Rule
If the calculated Z-value is greater than the critical Z-value (i.e $Z_{cal} > Z_{critical}$), reject the null hypothesis and accept the alternative hypothesis accordingly.

Result
With Kolmogorov-Smirnon Z – value of 5.983 and on Asymp. Significance of 0.000, the responses from the respondents as display in the table is normally distributed. This affirms that the assertion of the most of the respondents that recording asset and liabilities in small business start-up and development in Enugu state.

Decision
Furthermore, comparing the calculated Z- value of 5.983 against the critical Z- value of 1.96 (2-tailed test at 95% level of confidence) the null hypothesis was rejected. Thus, the alternative hypothesis was accepted which states that recording asset and liabilities in small business start-up and development in Enugu state.

Discussion of Results

In the test of hypothesis one, the result showed that the calculated Z- value of 5.215 against the critical Z- value of 1.96 (2-tailed test at 95% level of confidence) the null hypothesis were rejected. Thus the alternative hypothesis was accepted which states that recording monetary transaction has positive effect on small business start-up and development in Enugu state. In support of the result, Haka, Williams, Bettner, and Carcello, (2018) stated that an accounting records, retains and reproduces financial information relating to financial transaction flows and financial position. Financial transaction flows encompass primarily inflows on account of incomes and outflows on account of expenses. Elements of financial position, including property, money received, or money spent, are assigned to one of the primary groups, that is, assets, liabilities, and equity.

In the test of hypothesis Two, the result showed that the calculated Z- value of 4.096 against the critical Z- value of 1.96 (2-tailed test at 95% level of confidence) the null hypothesis were rejected. Thus the alternative hypothesis was accepted which states that checks and invoices have positive effect on small business start-up and development in Enugu state. This was supported in the literature review by Abdulrasheed, Khadijat and Oyebola, (2012), that business decisions need to be supported by good and quality financial information which needs to be relevant, user friendly and available in a timely manner. Secondly, Auditors and taxing authorities are the entities most likely to inspect accounting records. Examples of accounting records are the general ledger, all subsidiary ledgers, invoices, bank statements, cash receipts, and checks (Alia, 2018).

In the test of hypothesis Three, the result showed that the calculated Z- value of 5.983 against the critical Z- value of 1.96 (2-tailed test at 95% level of confidence) the null hypothesis were rejected. Thus the alternative hypothesis was accepted which states that recording asset and liabilities in small business start-up and development in Enugu state. In support of this result, Zahorsky (2019) opines that Record keeping is one of the most important responsibilities as

a small business owner. The success of a business depends on creating and maintaining an effective record system, whether the business is a sole proprietorship, partnership, or corporation.

5. **Conclusion**

The study concluded that recording monetary transaction, checks and invoices and recording asset and liabilities have positive effect on small business start-up and development in Enugu state. A comprehensive accounting record makes it possible for small businesses to develop accurate and timely financial reports that show the progress and current condition of the business. With the financial report generated from a good recordkeeping system, performance during one period of time (month, quarter or year) with another period can be compared. An accurate record of the business' financial performance is vehicle to monitor performance in specific areas. Accounting records provide a basis for complete and accurate income tax computation, a basis for sound planning for the future and basis for discussion with partners, potential investors, and lenders all these are important aspects which enhance performance of the business.

6. **Recommendation**

i. Small business scale firm owners should be encouraged to recruit skilled personnel especially accounting staff. The product of these skilled accounting will help the small-scale firms to stand firm instead of wound up.

ii. The study recommended that the training of accountants by the schools should be encouraged by focusing on more on practical means of solving accounts reporting needs of small and medium scale enterprises.

iii. Government should provide adequate financial assistance to small business scale, with adequate financial support, more unemployed youths will be engaged in small-scale enterprises.

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