

Financial Inclusion and Performance of the Small and Medium Enterprises in Ibadan, Oyo State

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Certification

This is to certify that Abosede Adebola Amoo with matriculation number LCU/PG/002592 carried out this research work titled '*Small and Medium Enterprises Financing Options and Economic Growth in Nigeria*' in the Department of Management and Accounting, Faculty of Management and Social Sciences, Lead City University, Ibadan, Oyo State, Nigeria for the award of Master Degree (MSc) Finance and that this has not been previously submitted.

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Dedication

This research work is dedicated to God Almighty through Yeshua (Jesus Christ) my Lord and Saviour, my enabler, my salvation and the giver of all good and perfect gifts. It is also dedicated to my generations both now and in the ages to come.

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Abstracts

The study examined Financial Inclusion and Performance of the *Small and Medium Enterprises in Ibadan, Oyo State*. The target population for this study was made up of business centres, grocery stores and fashion houses in the Ibadan Southwest Local Government. This study adopted a quantitative survey technique because it was explanatory and related directly to the SMEs that were selected for the research. Data was collected from various sources through primary sources with the use of a structured questionnaire and other secondary sources of data to obtain relevant data from the participants. Statistical Package for Social Sciences (SPSS) software program was used to analyze the data. From the research findings, financial inclusion was found to be connected with financial stability, financial literacy, financial capability, market conducts and financial integrity of the SMEs, any strategies implemented by the government must therefore target these objectives not minding if the strategy of financial inclusion was meant to be a part of a comprehensive financial sector or a standalone strategy. It was discovered that SMEs can access finance through internal funds, venture capital, trade credit, business angels and crowdfunding with positive influence on their performance but huge borrowing cost of bank overdraft negates its impact. The performance of the selected SMEs was influenced positively using financial inclusion parameters of Financial Service Access, Usage and Quality as measurement. A limited perspective of financial inclusion, such as policies centering only on direct public funding are rare to give huge benefits. Preferably, significant, prudent, and unceasing SMEs funding access demands a comprehensive outlook which includes key elements identified from macro-economic, regulatory and legal aspects. This study concluded that improving SMEs financial inclusion can enlarge economic growth, innovation, creation of job, poverty alleviation, wealth creation and the success of budgetary and financial strategy can support their financial stability.

Keywords: Financial Inclusion, SMEs, Performance, Strategy, Finance

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List of Acronyms

Abbreviation	Meaning
SMEs –	<i>Small and Medium Enterprises</i>
SMEDAN –	<i>Small and Medium Enterprises Development Agency of Nigeria</i>
SPSS –	Statistical Package for the Social Sciences
MSME -	Micro, Small and Medium Enterprises
CBN –	Central Bank of Nigeria
BOI –	Bank of Industry
NDE-	National Directorate of Employment
GDP-	Gross Domestic Product
SMIEIS-	Small and Medium Industries Equity Investment Scheme
EDCs-	Entrepreneurship Growth Centres
DMBs-	Deposit Money Banks
DBN-	Development Bank of Nigeria