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**UNIVERSITY**

**FINANCIAL LOANS AND GROWTH OF SMALL SCALE ENTERPRISES IN  
NANSANA MUNICIPALITY WAKISO DISTRICT**

**BY**

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**A RESEARCH REPORT SUBMITTED TO THE COLLEGE OF BUSINESS AND  
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## **ABSTRACT**

The purpose of the study was to evaluate the effectiveness of financial loans on the growth of small scale enterprises in Nansana Municipality, Wakiso district. It was driven by the fact that small scale enterprises need financial loans to achieve growth which determines economic growth and development as widely accepted by many scholars and economist. Access to financial loans guarantees their sustainability. The was guided by the following specific objectives which were; to evaluate the effectiveness of commercial bank loans on the growth of small scale enterprises, to evaluate the effectiveness of micro-financial Institution loans on the growth of small scale enterprises, to evaluate the effectiveness of Savings and Credit Cooperative loans on the growth of small scale enterprises in Nansana Town Council, Wakiso District. The study used a quantitative survey research design which was non-experimental and cross-section in nature and unit of analysis were loaning institutions and licensed operators of small scale enterprises in Nansana Municipality, Wakiso district. Primary data was collected using questionnaire survey anchored on likert scaled range and was analyzed using SPSS to generate descriptive statistics.

Finding on effectiveness of commercial bank loans on growth of small scale enterprises revealed that commercial bank loans are easy to access, offers large loan amount, provide good business advisory services, customer relationship, variety of loan products to stock variety of commodities and diversification of business operations to achieve growth were the dominant attributes with high percentage to induce effectiveness of commercial bank loans on growth of small scale enterprises.

Effectiveness of Microfinance Institution loans on growth of small scale enterprises disclosed that MFI loans are easy to access, charge low loan interest rates, variety of loan products include saving and credit, give long grace period, provision of good business advisory services, offering customer relationship services, variety of loan products, effective monitoring and evaluation which facilitate stock variety of commodities and diversification of business operations to achieve growth were the dominant attributes indicating effectiveness of MFI loans. However SACCO were easy to access, low interest rates to favor prosperity, provision of good business advisory services, offer customer relationship, monitoring and evaluation which influence stock variety of commodities and marketing leading to growth of small scale enterprises.

It was recommends SSEs to access and use Microfinance loans and SACCOs loan due to their effectiveness in enabling growth of small scale enterprises and the government and other stakeholders should sensitize and train operators of SSEs on how to access and effectively use financial loans in the business to achieve growth.