



CREDIT TERMS, CREDIT ACCESSIBILITY AND PERCEIVED PERFORMANCE OF MICRO ENTERPRISES IN LYANTONDE DISTRICT-UGANDA

ABSTRACT

Purpose - This study was carried out with the specific objectives as to establish the relationship between credit terms, credit accessibility and perceived performance of micro enterprises in Uganda.

Methodology - Data was collected from 177 respondents randomly selected from a population of 248 registered MSMES in Lyantonde Town Council using structured questionnaires and analysed using Statistical Package for Social Scientists (SPSS) computer programme. It involved descriptive and analytical research designs. The data was tested for reliability, analyzed using SPSS and results presented based on the study objectives.

Results – Results revealed that there is a positive and significant relationship between credit terms, credit accessibility and perceived performance of micro enterprises in Uganda. The two explain 17% of performance of Micro enterprises. Pearson correlation coefficient (r) revealed that credit accessibility proved a strong positive association and predictor effect than credit terms with regards to performance of micro enterprises. This implies that to attain a higher performance level of microenterprises, better mechanism for accessing credit must be put in place and credit terms be revised. Therefore to improve on performance of microenterprises; emphasis should be put on narrowing credit terms according to this study.

Recommendations - The study recommends that in order to improve performance of Microenterprises credit accessibility should be enhanced. Credit terms must be revised and lowered to create conducive environment to credit access and later positively impact on performance of Microenterprises

