Effect of Accounting Records on the Development of Small Business Start-Up in Ebonyi State

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The study was to evaluate the effect of accounting records on the development of small business start-up in Ebonyi State. The specific objectives were to: examine the effect of recording monetary transaction in small business in Ebonyi State; evaluate the effect of checks and invoices in small business start-ups in Ebonyi State and investigate the effect of recording assets and liabilities in small business in Ebonyi State. The research focused on small company start-ups and development in Ebonyi State, Nigeria, with participants drawn from livestock farmers, business centers, block industries, pure water producers, event planners, and other market groups. The survey method was utilized in the research. Personal interviews and questionnaire administration were the key sources. A total of 6,455 small company start-ups were used in the study. A stratified sampling strategy was used to choose the study's population from the groups under investigation. Using Freund and William's statistic formula, find the appropriate sample size of 363. 348 employees completed the questionnaire completely and properly. This resulted in a 96 percent response rate. Content analysis was used to assess the instrument's validity, and the results were positive. The Pearson correlation coefficient was used to assess the dependability (r). It resulted in a reliability co-efficient of 0.83, which was likewise satisfactory. The data was presented and analyzed using the Sprint Likert Scale's mean score (3.0 and above agreed, while below 3.0 disagreed) and standard deviation. The Z-test-statistics tool was used to examine the hypotheses. The results showed that documenting monetary transactions had a beneficial impact on small businesses in Ebonyi State, with a Z (95, n = 348) =5.215, p 0.05. Checks and invoices had a good impact on small company start-ups in Ebonyi State, Z (95, n = 348) =4.096, p 0.05, and recording assets and liabilities has a favorable impact on small businesses in Ebonyi State, Z (95, n = 348) =5.983, p 0.05. The study found that documenting monetary transactions, checks and invoices, as well as tracking assets and liabilities, had a favorable impact on small company start-up and development in Ebonyi. According to the survey, small company owners should be encouraged to hire qualified employees, particularly accountants. The output of these trained accountants will assist small businesses in staying afloat rather than floundering.

ABSTRACT

Keywords: *Accounting Records, Development, Small Business, Start-up*

1. Introduction

One of the most crucial components of beginning and running a successful business is accounting. As a result, company owners should be cautious. Former business owners who neglected their financials only to find too late that they were running at a loss, not a profit, litter the streets of entrepreneurship. While it's easy to get caught up in the glamorous chore of building your website or picking the right business name, you won't be able to endure without a good knowledge of the statistics. As a small company owner, keeping records is one of your most crucial obligations. Whether a single proprietorship, partnership, or corporation, the success of a business is dependent on the creation and maintenance of an efficient record system. As the economy went from fundable to agricultural, it continued to adapt to society's needs. Accounting evolved in response to management's growing planning and control duties as business units became more sophisticated and larger in scope. Accounting was created to address the greater responsibility as government grew in size and centralization (Zahorsky, 2019).

It is frequently argued that strong and quality financial information, which must be relevant, user-friendly, and available in a timely way, is required to support business choices (Abdulrasheed, Khadijat and Oyebola, 2012). Accounting should be used as an active steering tool to operate and manage a firm rather than just another administrative responsibility for a lone owner to deal with. Accounting systems for one-person enterprises should perform activities such as delivering crucial financial information to owners and managers so that they can run the business in a competitive environment and make educated decisions to avoid business failure and develop the business. However, because one-man firms may have unique demands and circumstances, accounting systems must be adaptable in order to avoid imposing additional operational costs (Abdulrasheed, Khadijat and Oyebola, 2012). Smaller businesses may be able to keep deeper client relationships and provide better customer service than bigger businesses. This change in operation methodology may have an impact on the accounting system used to generate financial data (Abdulrasheed, Khadijat and Oyebola, 2012). Many inventory techniques, depreciation methods, income tax accounting methods, and revenue recognition processes are some of the different concepts that a company may use.

Depending on the size of the company and the number of sales, you may either generate your own ledgers and reports or hire an accountant (Haka, Williams, Bettner, and Carcello, 2018). Accounting's influence is a consequence of the benefits gained by members of society who have committed themselves to the social structure of their existence and seek fulfillment (Anyigbo, 2010). The availability of accounting information benefits businesses, but it is equally crucial that accounting information aids the solution or resolution of business planning, organization, and control functions of enterprises as social organizations. Most small business owners prefer to hire unskilled workers, particularly administrative and accounting people. The result of these inexperienced accounting (clerical personnel) has only served to keep small businesses stagnant, with some even closing down. This was due to the fact that inexperienced accounting personnel could not maintain solid accounting records that would stand the test of time required; such workers could not accurately assess the profit or loss of the business when creating profit and loss accounts. (Boachie-Mensah and Marfo-Yiadom, 2015; Onaolapo and Adegbite, 2014).

It is impossible to overstate the importance of strong accounting and internal control systems in every firm, regardless of its size. Even if they could, the great majority of small firms cannot afford the complexity of a thorough accounting system. As a result, single entries in their books and, in some cases, partial records persist (Wood, 1979; Onaolapo, et al., 2011). Because of the absence of internal controls, audits of small businesses have proved to be among the most concerning for professional accountants. Small and medium-sized businesses, with the exception of statutory requirements, seldom consider the process of good accounting; yet, the insufficiency and ineffectiveness of accounting procedures have resulted in the premature collapse of a number of them (Mukaila and Adeyemi, 2011). The complexity of bookkeeping and accounting in one-person enterprises has generated several obstacles to a sole proprietorship's successful operation and accountability. The regulatory load falls disproportionately on one-man businesses compared to huge corporations, because smaller businesses frequently lack the financial and personnel resources to effectively handle their commitments (Abdulrasheed, Khadijat & Oyebola, 2012). Meanwhile, despite its importance in the performance of enterprises, a lot of Small-Scale Enterprises have not paid much attention to bookkeeping in connection to their company transactions. This might be due to the owners' or managers' lack of understanding of accounting processes (Onaolapo and Adegbite, 2014). As a result, the study focused on accounting records as well as company start-up and development in Ebonyi State.

Statement of Problem
Accounting records give a foundation for thorough and correct income tax computations, good future planning, and conversation with partners, possible investors, and lenders, all of which are crucial components that improve business success.

Despite their importance and numbers, current studies reveal that 60% of small enterprises fail during the first five years of operation. According to studies, SMEs have a difficult time obtaining funds from financial institutions because they lack the necessary financial documents. Many times, the failure of SMEs to survive beyond their initial few months has been ascribed to a lack of sufficient accounting records.

This has resulted in the loss of assets and the inability to track liabilities. As a result, this research is a response to the test, attempting to observe accounting records and the development of small business start-up in Ebonyi State.

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

   i.   Examine the effect of recording monetary transaction in small business in Ebonyi State.
   ii.   Evaluate the effect of checks and invoices in small business start-ups in Ebonyi State.
   iii.   Investigate the effect of recording assets and liabilities in small business in Ebonyi State.

Research Questions
   i.   What is the effect of recording monetary transaction in small business in Ebonyi State?
   ii.   What is the effect of checks and invoices in small business start-ups in Ebonyi State?
   iii.   What is the effect of recording assets and liabilities in small business in Ebonyi State?

Statement of Hypotheses
The following alternate hypotheses guided the study.

   i.   Recording monetary transaction has positive effect on small business in Ebonyi State.
   ii.   Checks and invoices have positive effect on small business start-ups in Ebonyi State.
   iii.   Recording assets and liabilities have positive effect on small business in Ebonyi State.

2. Review of Related Literature

2.1 Conceptual Review

Accounting Record
Accounting records are the original source papers, journal entries, and ledgers that detail a company's financial activities. The creation of financial statements is aided by accounting records. They will be kept for a period of time so that independent parties can check them and verify that the financial statements produced from them are accurate. The entities most likely to check accounting records are auditors and taxing officials. The general ledger, all subsidiary ledgers, invoices, bank statements, cash receipts, and checks are all examples of accounting records (Alia, 2018).

Accounting is the process of recording, storing, and reproducing financial data related to financial transaction flows and financial status. Inflows on account of income and outflows on account of costs make up the majority of financial transaction flows. Assets, liabilities, and equity are the three major areas in which financial position elements, such as property, money received, and money spent, are classified. Each different asset, obligation, income, and cost is represented by its own "account" within these basic groupings. A record of financial inflows and outflows in connection to a certain asset, obligation, income, or cost is called an account. Because they only represent the inflows and outflows absorbed in the financial-position elements at the end of the time period, income and expense accounts are termed transient accounts (Haka, Williams, Bettner, and Carcello, 2018).

Small Business
A small business is one that is privately owned and run, with a limited number of employees and minimal turnover. A small business often only serves a small portion of the market. For industrial expansion and diversification, mall size firms (also known as small scale businesses) are critical. Although the definition of a small-scale firm varies each

country, the core notion remains the same. Annual revenue, asset valuation, net profit, headcount, and balance sheet totals are some of the metrics used to describe small businesses. The number of employees employed by the firm is perhaps the most crucial criterion for classifying small size companies. Small businesses operate in a wide range of industries. Bakeries, convenience shops, legal companies, accountancy firms, guest rooms, and small-scale industrial operations are all common examples (Khan, 2017).

Small companies are privately held corporations, partnerships, or sole proprietorships with fewer workers and/or lower yearly income than a larger company or firm. The definition of "small" businesses in terms of being able to ask for government assistance and qualify for favourable tax policies varies by nation and industry. Small firms can have as little as fifteen workers under the Australian Fair Work Act 2009, fifty employees under the European Union's definition, and less than five thousand employees to qualify for various SBA programs in the United States. While small firms can be characterized in a variety of ways, including yearly revenues, shipments, sales, assets, or annual gross or net revenue or net profits, one of the most often used indicators is the number of workers.

Convenience stores, small grocery stores, bakeries or delicatessens, hairdressers or tradespeople (e.g., carpenters, electricians), restaurants, guest houses, photographers, very small-scale manufacturing, and Internet-related businesses such as web design and computer programming are examples of small-scale enterprise in many countries. Lawyers, accountants, dentists, and medical physicians are among the professions who run their own enterprises (although these professionals can also work for large organizations or companies). Small enterprises differ greatly in terms of size, revenue, and regulatory permission, both within and across countries. A business license may be all that is required for some small firms, such as a home accounting firm. Other small enterprises, such as day cares, retirement homes, and restaurants that serve alcoholic beverages, are more highly regulated and may be subject to inspection and certification by various government agencies (Healeas, Purdy, Stanworth & Watson, 2014).

Start-Up and Development of Business
Startup companies are firms that are still in their infancy and are fighting for survival. These organizations are typically founded on excellent ideas and grow to be successful. However, because startups are diverse and complicated in nature, they have their own development lifecycle. 2015 (Salamzadeh). Because the sequence of activities and phases may change amongst businesses, a holistic perspective is offered to provide a better understanding of the startup lifecycle. The following are the stages:

1. Bootstrapping Stage: At this early stage, the entrepreneur sets in motion a series of operations in order to develop his or her concept into a lucrative firm. He or she, on the other hand, contemplates a higher degree of risk or even uncertainty, and continues to work on the new enterprise concept, assembles a team, spends personal finances, and solicits investment from family and friends. Bootstrapping, which is sometimes characterized as extremely imaginative means of getting the use of resources without borrowing, is seen to be one of the most important fields of entrepreneurial study. This stage demonstrates product feasibility, cash management capabilities, team formation and management, and client acceptability in order to position the enterprise for expansion (Brush, Carter, Gatewood, Greene & Hart, 2016).

2. Seed Stage: Following the bootstrapping stage, the founder enters a new stage known as the seed stage. This stage is marked by collaboration, prototype development, market entry, venture valuation, the search for support mechanisms such as accelerators and incubators, and average investments in the startup's growth. To be honest, the seed stage for most firms is a shambles and is seen as extremely risky (Salamzadeh, 2015). The seed stage is defined by the initial funds invested in developing a product or providing a service (Manchanda & Muralidharan, 2014). As a result, the entrepreneur looks for assistance mechanisms like accelerators, incubators, small company development centers, and hatcheries to help speed up the process. During this period, a large majority of startups fail. They would turn to a low-profit enterprise with a poor success record if they couldn't locate support systems. Those that are successful in gaining help, on the other hand, have a better chance of establishing lucrative businesses. Valuation is usually done towards the end of this step, so it goes without saying.

3. Creation Stage: During the creation stage, the firm sells its products, enters the market, and recruits its first workers (Salamzadeh, 2015). The organization/firm is founded at the conclusion of this stage, and corporate finance is regarded the primary method of funding the enterprise. By funding the enterprise, venture capitalists can help with the creation stage.

Keeping Record of Monetary Transactions

Accurately documenting relevant transactions is the first step in gaining control of your financial records. The process of recording monetary transactions entails keeping track of all of a company's financial transactions on a daily basis. It entails keeping track of daily sales. In a general ledger, bookkeepers maintain track of the company's sales, costs, cash, and bank transactions. When starting a business, one of the most crucial habits to cultivate is keeping track of transactions in your diary and ledger. The ledger and its correctness are critical to the financial health of your firm. Posting is the process of keeping track of these transactions. A bookkeeper can also create invoices and process payroll. The intricacy of the bookkeeping process is determined by the size of your company and the number of daily, weekly, and monthly transactions.

2.2 Theoretical Framework

Records Life-Cycle

According to Fadokun (2014), a record's life-cycle consists of discrete stages that span the record's lifespan from production to final airing. Records development is explained at the creation stage by today's electronic frameworks. As the organization directs its operations, records will continue to be generated and captured at a dangerously high pace. Internal correspondence about a product failure is written, financial explanations and reports are written for open and administrative examination, the old corporate emblem is retired, and a new one - complete with a shade plan and approved corporate text style – takes its place in the company's history.

The records and information management expert in charge of organizational initiatives attends to concerns such as security, protection, disaster recovery, developing developments, and mergers throughout the records life cycle. Controlling and preserving the element's information resources is the responsibility of records and information management specialists. They know how to use records and information management systems, concepts, and best practices to manage the production, access, conveyance, storage, and disposition of documents and information in a productive and cost-effective way while adhering to records and information regulations and rules.

2.3 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) performed research to investigate the role of accounting records on small-scale business efficiency. In order to meet the study's aims, two hypotheses were developed. The survey approach was used, and data was obtained using a questionnaire. The hypotheses developed were examined using the Z-test statistical approach, which used means, standard deviation, and weighted value to assess the data. According to the findings of the research The training of accountants by these institutions and various professional institutes should focus more on practical means of solving accounts reporting needs of small and medium scale enterprises; and the government should provide adequate financial assistance, because if there is adequate financial assistance, more unemployed Nigerians will engage in small scale enterprises and gain their means of livelihood more easily than looking for unavailable white collar jobs. The researchers recommend that these institutions and various professional institutes focus more on practical means of solving accounts reporting needs of small and medium scale enterprises, and that the government provide adequate financial assistance, because if there is adequate financial support, more unemployed Nigerians will engage in small scale enterprises and gain their means of living more easily than looking for work elsewhere.

Onaolapo and Adegbite (2014) performed research on the influence of accounting records keeping on the performance of small businesses in Nigeria. The purpose of the research was to look at the impact of accounting records on small businesses in Nigeria. The primary data was collected using a descriptive design, which included personal interviews and a questionnaire. The information gathered was examined using both qualitative and

quantitative methodologies. Tables and percentages were utilized as descriptive statistics. The data was analyzed using Chi-square and analysis of variance (ANOVA) in STATA 10 version, with the coefficient of determination (R^2) 0.8974, implying that the degree of accounting records keeping could explain 89.7% of the variation in financial performance. The findings of this study revealed that there is a considerable beneficial association between accounting record keeping and small-scale firm performance. According to the findings, there is a substantial positive association between accounting records keeping and small business success. Accounting records are necessary for decision-making, which has a direct impact on the success of small businesses. For efficient financial performance in their organization, it is advised that small business owners and managers adopt adequate accounting records keeping methods.

The usefulness of accounting records in small scale business: The Nigerian experience was investigated by Ezejiofor, Olise, and Ezenyilimba (2014). The goal of the research was to investigate the role of accounting records in the effective operation of small businesses. In order to meet the study's aims, two hypotheses were developed. The survey approach was used, and data was obtained using a questionnaire. The hypotheses developed were examined using the Z-test statistical approach, which used means, standard deviation, and weighted value to assess the data. Accounting records keeping, according to the study, has a substantial impact on the performance of small businesses. The study showed that accounting records keeping helps small businesses operate better, therefore small businesses who don't keep accurate accounting records of their operations might benefit from tailored adaptive systems. The study recommended that these institutions and various professional institutes focus more on practical means of solving accounts reporting needs of small and medium scale enterprises, and that the government provide adequate financial assistance, because if there is adequate financial support, more unemployed Nigerians will engage in small scale enterprises and gain their means of living more easily than looking for work.

Aladejebi and Oladimeji (2019) investigated the influence of record keeping on the performance of selected small and medium firms in Lagos, Nigeria. The study's goal was to determine the extent to which accounting data is utilized to assess the financial performance of small businesses. Questionnaires were given to 200 SMEs owners, with 197 proving to be valid and analyzed using the Likert scale. According to the report, the majority of SMEs lack basic accounting expertise and dislike the cost of compiling financial statements, thus they keep their records themselves, in most cases manually. The study found that the costs of a firm failing due to a lack of good record keeping (e.g., resource mismanagement and bad financial management) considerably surpass the costs of maintaining proper records for any business concern. According to the study, SMEs should seek basic accounting knowledge to enable them to keep proper records and, where possible, engage the services of SMEs Professionals who will be able to keep proper records and prepare relevant financial reports at a low cost for the business, banks, and other third parties.

3. Research Methodology

The study's focus was on small business start-ups and development in Ebonyi State, Nigeria, with participants drawn from a variety of market organizations, including livestock farmers, business centers, block industries, pure water manufacturers, event planners, and so on. Personal interviews and questionnaire administration were the key sources. A total of 4,455 small company start-ups were used in the study. A stratified sampling strategy was used to choose the study's population from the groups under investigation. Using Freund and William's statistic formula, find the appropriate sample size of 263.348 employees completed the questionnaire completely and properly. This resulted in a 96 percent response rate. Content analysis was used to assess the instrument's validity, and the results were positive. The Pearson correlation coefficient was used to assess the dependability (r). It resulted in a reliability co-efficient of 0.83, which was likewise satisfactory. The data was presented and analyzed using the Sprint Likert Scale's mean score (3.0 and above agreed, while below 3.0 disagreed) and standard deviation. The Z-test-statistics tool was used to examine the hypotheses.

4. Data Presentation and Analysis

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

Table 4.1: Responses to Research Question One

		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, 2022

Table 4.1, with a mean score of 3.3 and a standard deviation of 1.10, 205 out of 348 respondents agreed that recording sales made to clients at sales price identifies the sources of income in our firm. The return of some inventory improves our business's cash flow and performance, according to 250 respondents who agreed, with a mean score of 3.9 and a standard deviation of 1.24. With 197 respondents agreeing with a mean score of 3.4 and standard deviation of 1.44, putting down costs helps us keep track of our deductible spending. With a mean score of 3.7 and 1.38, 200 respondents agreed that adequate recording in our small business allows us to prepare our financial statement. Record keeping makes it easy to prepare our tax returns, with 297 respondents agreeing on a mean score of 4.1 and a standard deviation of.93.

Research question Two
What is the effect of checks and invoices in small business start-ups in Ebonyi 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

		5 SA	4 A	3 N	2 D	1 SD	∑FX	-X	SD	Decision
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 identifies 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, 2022

Table 4.2, 300 out of 348 respondents, 237 agreed that writing down paid invoices, payrolls helps to offer financial information in our organization, with a mean score of 3.7 and a standard deviation of 1.38. With 277 respondents agreeing on a mean score of 4.1 and a standard deviation of 1.09, proper recording of critical parts of the internal control system improves our efficacy. With a mean score of 4.1 and 1.07, 284 respondents agreed that keeping track of our business's success is beneficial. With 294 respondents agreeing on a mean score of 4.2 and a standard deviation of 1.05. Invoices aids and identifies sources of your revenue.

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

Table 4.3: Responses to Research Question Three

		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 Ebonyi 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, 2022

Table 4.3, with a mean score of 4.7 and a standard deviation of, 316 out of 348 respondents agreed that documenting accounting receivables had benefited the administration of our small business. With a mean score of 4.1 and a standard deviation of 1.11, 900, 292 respondents agreed that keeping track of prepaid spending had helped our small business grow. Keeping track of our cash in hand and in the bank has had an impact on our small

company in Ebonyi state, according to 269 respondents who agreed with a mean score of 4.1 and a standard deviation of 1.10. With a mean score of 4.0 and 1.10, 234 respondents agreed that keeping track of our cash in hand and in the bank had affected our small company in Ebonyi state. Taking notes on our systems, including computers and other office equipment, yielded a mean score of 3.9 and a standard deviation of 1.26 from 287 respondents.

Test of Hypotheses

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

Table 4.4: Z – Test on the Recording Monetary Transaction on Small Business Start-Up and Development in Ebonyi State

		Recording monetary transaction has positive effect on small business start-up and development in Ebonyi 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 Ebonyi 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 Ebonyi state.

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

Table 4.5: Z – Test on the Checks and Invoices on Small Business Start-Up and Development in Ebonyi State

		Checks and invoices have positive effect on small business start-up and development in Ebonyi 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 Ebonyi 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 Ebonyi state.

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

Table 4.6: Z – Test on the Recording Asset and Liabilities in Small Business Start-Up and Development in Ebonyi State

		Recording asset and liabilities in small business start-up and development in Ebonyi 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 Ebonyi 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 Ebonyi state.

Discussion of Results
The null hypothesis was rejected in the test of hypothesis one, with a computed Z-value of 5.215 vs a crucial Z-value of 1.96 (2-tailed test at 95 percent confidence level). As a result, the alternative hypothesis, which asserts that documenting monetary transactions has a beneficial impact on small company start-up and development in Ebonyi state, was adopted. Accounting records, preserves, and reproduces financial information linked to financial transaction flows and financial status, according to Haka, Williams, Bettner, and Carcello (2018). Inflows on account of income and outflows on account of costs make up the majority of financial transaction flows. Assets, liabilities, and equity are the three major areas in which financial position elements, such as property, money received, and money spent, are classified.

The null hypothesis was rejected in the test of hypothesis Two, with a computed Z-value of 4.096 vs a crucial Z-value of 1.96 (2-tailed test at 95 percent confidence level). As a result, the alternative hypothesis, which asserts that checks and invoices have a beneficial influence on small company start-up and development in Ebonyi state, was adopted. According to Abdulrasheed, Khadijat, and Oyebola's (2012) literature analysis, high and quality financial information that is relevant, user-friendly, and available in a timely way is required to support company choices. Second, the entities most likely to check accounting documents are auditors and taxing officials. The general ledger, all subsidiary ledgers, invoices, bank statements, cash receipts, and checks are all examples of accounting records (Alia, 2018).

The null hypothesis was rejected in the test of hypothesis three, with a computed Z-value of 5.983 vs a crucial Z-value of 1.96 (2-tailed test at 95 percent confidence level). As a result, the alternative hypothesis, which asserts that documenting assets and liabilities in small company start-up and development in Ebonyi state, was adopted. Zahorsky (2019) supports this conclusion by stating that record keeping is one of the most critical obligations of a small business owner. Whether a single proprietorship, partnership, or corporation, the success of a business is dependent on the creation and maintenance of an efficient record system.

5. Conclusion

According to the findings, recording monetary transactions, checks and invoices, as well as tracking assets and liabilities, has a favorable impact on small company start-up and development in Ebonyi state. Small businesses may generate accurate and timely financial reports that demonstrate the growth and present state of the firm with the help of a thorough accounting record. Performance during one period of time (month, quarter, or year) may be compared to performance during another period using the financial report provided by a solid recordkeeping system. An accurate record of a company's financial performance may be used to track progress in key areas. Accounting records give a foundation for thorough and correct income tax computations, good future planning, and conversation with partners, possible investors, and lenders, all of which are crucial components that improve business success.

6. Recommendation

i. Small business owners should be encouraged to hire qualified people, particularly accountants. The output of these trained accountants will assist small businesses in staying afloat rather than floundering.
ii. According to the study, colleges could support accountant training by concentrating more on practical solutions to small and medium-sized businesses' accounting and reporting demands.
iii. The government should offer appropriate financial aid to small businesses; with adequate financial assistance, more jobless youngsters would start small businesses.

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