Journal of African Advancement and Sustainability Studies
April, 2024 Editions
www.ssaapublications.com

JAAS
Vol.4, No.2, E-ISSN 3027-0715
P-ISSN 3027-0723
Sahara African Academic

EFFECT OF CAPITAL STRUCTURE ON THE PERFORMANCE OF SELECTED SMALL SCALE BUSINESS IN MAIDUGURI METROPOLIS, BORNO, NIGERIA

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ABSTRACT
The study examine the effect of capital structure on the performance of selected small scale business in Maiduguri metropolis, Borno State, Nigeria. The study assess the effect of equity capital on profitability and effect of debt capital on sales growth. The population of the study was two hundred and thirty nine (239) employees of five (5) selected small scale business in Maiduguri metropolis, borno state, Nigeria. The sample size of the study was one hundred and fifty (150) respondents from the study population using Yamane formula. Data was collected by used structured questionnaire which were administered to the respondents. The study used multiple regression to analysed the data with the aid of statistical package for social sciences (SPSS). The finding revealed that equity capital has no significant effect on profitability. This implies that most of the SSBs surveyed had a capital structure financed by more equity than debt capital. The finding also revealed that debt capital has no significant effect on sales growth. This implies that capital structure contributes to SSBs growth which subsequently result in increasing sales growth. The study concludes that utilization of different levels of equity and debt sources enables SSBs to invest more and have more profit. The high degree of equity financing implies relative high level of profitability. SSBs with good asset base attracts lending financial institutions hence boost their performance as they are able to face challenges that are in business. The study recommends that SSBs should develop an investment policy that enable them to maintain option structure and seek financial advisory services to carry out a continues survey of their firm liquidity position and audit their book of account and make good investment decision in order to increase profit.

Keywords: Capital Structure, Performance, Small Scale Business, Equity Capital, Debt Capital

INTRODUCTION

Small scale business enterprises play a critical role in the economic growth and development of any nation. It is a well-known fact that small and medium enterprises are critical to the economy especially in a developing country like Nigeria. Small Scale Business Enterprise helps in generating employments which contribute to rapid growth and transformation of indigenous resources. They are spread all over the country and are being located in both rural and urban centers. Small Scale Business Enterprises (SSBs) in Nigeria are business oriented organization characterized by low capital lows sale, low profit, low level of education by owners and high debt ratio (Sanusi, 2016).

According to Babalolah (2015), a noticeable consensus effort on the part of government around the world was to create conducive and stable business environment for small and medium enterprises to operate in order to overcome many economic challenges. SSBs have been and are still a central hub in generating income for the majority of urban dweller with no formal paid employment however enabling growth of SSBs has posed a major challenge.

Capital structure are financing decision of a firm that have to be made regarding the debt and equity combination that is in what proportion debt and equity has to be maintained its how a firms finance its assets through some combination of equity, debt and hybrid securities. These securities are traded in a stock market which is part of the border market returned to as financial market to the composition of capital employed can affect the firm's value and optimally of financing cost. The management core objective is to maximize equity owner's wealth, cutting cost the minimum and acting within the frames governing the establishment of firm. To ensure minimum cost of capital is maintainable, the determining factor will be an optimum capital (Cehchet & Olawola, 2014).

Small Scale business enterprises face a lot of challenges in the current competition brought about by globalization. It is difficult for SSBs to access finance, since the sector lacks collateral to pledge in order to access external sources of financing and using different sources of financing some of them are still performing poorly. This could be led to lack of knowledge on the best sources of financing mix for majority of SSBs owners and they have no idea how effective capital structure might influence their performance. Furthermore, the financial analyst and managers consider and determine the profit as a guide to ensure the effectiveness and efficiency of management of SSBs. The performance of SSBs in Nigeria in the past few years showed only the efficiency and effectiveness of business operations but not take cognizance of the framework of accounting and reporting based of the financial structure. However, increasing on the productivity and performance of SSBs has shown the role and effect of capital structure,

but there is also need to identify how the SSBs are managing and evaluating their capital structure to enhance their performance.

Though many studies have been carried out on the effect of capital structure and organization performance such as Jumanne (2017), Joseph and Job (2018), Martin (2012) and Hayam (2013)

Despite these studies, there appears to be activity of empirical evidence on the effect of capital structure on performance of small scale business in Maiduguri Metropolis, Borno State, Nigeria.

Objectives of the Study

The main objective of this study is to assess the Effect of Capital Structure on the Performance of SSBs in Maiduguri Metropolis. The specific objectives of the study are:

(i) To assess the effect of equity capital on profitability of selected SSBs in Maiduguri metropolis

(ii) To assess the effect of debt capital on sales growth of selected SSBs in Maiduguri Metropolis

Conceptual and Theoretical Framework

Small Scale Business Enterprises

Many writers internationally and nationally have provided both published and unpublished findings on the issues relating to the concept called small scale business enterprises, small scale business enterprises have no common definition, it depends on the environment of operation as well as the purpose or the parameters used in defining it Mba and Cletus (2014), defines small and medium scale enterprises as an enterprises employing between five and one hundred workers with on annual turnover of about four hundred thousand naira (N400,000). The federal ministry of commerce and industry (2009), defines small scale business enterprises (SSBs) as firms with a total investment (excluding cost of land but including working capital of up to N750,000 and paid employment of up to fifty (50) people. Similarly, small scale business industries and small and medium scale business are used interchangeable to mean a small scale business companies in Nigerian and worldwide there seem to be no specific definition of small scale business. Different authors and scholars have different ideas as to the difference in capital, number of employer's sales turnover, fixed capital investment, available and machinery market share and the level of development (Ajozie & Unukoro, 2013). In 1990 budget, the federal government of Nigeria defined small scale business enterprises for the purpose of commercial loans as these enterprises with annual

turnover not exceeding N500, 000 and for merchant loans as those for the purpose of commercial loan as those enterprises with capital investment not exceeding N2million (excluding cost of land or a maximum of N5million (Aremu & Adeyami, 2011).

In the same vein, European Union (1995) defined SSBs as any enterprises employing less than 250 employees and went further to breakdown the SSBs into micro (less than 10 employees small from 10 to 49 employees) and medium (between 50 to 249 employees). Bueely, (1989) cited by Onugu, (2005) assert that country such as USA, Britain and Canada, small and medium scale business are defined in terms of annual turnover and the number of paid employees. In Britain for instance, small and medium scale businesses are categories as that businesses with annual turnover of 2million pound or not less than two hundred (200) paid employees. It is conceptualized in Japan as a type of industry with paid up capital and number of employees (Bukere & Babatunde, 2014). In the same light, the federal ministry of Industry defines a small scale business enterprises as any company with operating sales less than N200 million and employing less than 300 pensioners. Small-scale business, one the other hand, is one that has total assets of less than N50million, with less than 100 employees annual turnover will not be given consideration in the definition of SSBs. The National Economic Reconstruction Fund (NERFUND) defines SSBs as one whose total assets are less than N10 million, but makes no reference wither to its annual turnover or the number of employees. These and other definitions of National Association of small scale industries (NASSI), the National Association of small scale business enterprises (NASME), the Central Bank of Nigeria (CBN). The small and medium industry Equity Investment Scheme (SMIEIS), defined SSBs as any enterprises with a maximum asst base of N500 million, excluding land and working capital and with the number of employees not less than 10 or more than 20 (Enigla & Sakariyam, 2015).

In addition, small scale business (SSBs) can be defined based on certain criteria including turnover number of employees, profit capital employed available finance, market share and relative size within the industry. The definition can be based on either some quantitative or qualitative variables. Quantitative definition mainly express the size of enterprises, mainly in monetary terms such as turnover, asset value, profits as well as quantitative index like number of employees (Etuk & Baghebo, 2014).

Also, Arowomole (2000) affirms that a single universally accepted definition of SSBs has not been easy as different countries have different criteria for defining SSBs. Adding that many countries have define it in terms of manpower, management structure and capital investment limit. He further noted that experts in this field have also contributed to the diversity in SSBs definition varies particularly from industry to industry, country to

country, size and employment difference accurately. Eush & Adebayo (2012) opined that SSBs is define in terms of employment asset value and sales volume. They also noted that small scale business enterprises represents a business and not a public limited company. They are business having not less than 250 workers in the case of manufacturing and services industries including trading business, and they should be able to meet any of the following conditions. SSBs are number of employees and size. Generally, SMEs sector is categories into three: micro small scale business enterprises or business.

In Nigeria, the National Council of Industry (2003), categorized enterprises based on three criteria: Micro with size of 1-10 and less than N million, medium with a size of 36-100 and N40 million. The Central Bank of Nigeria, in its 2005 guidelines on Small Scale Investment Scheme (SSIS), described SSBs as any enterprises with a maximum assets base of 200 million naira (excluding land and working capital with no lower or upper limit of staff (Etuk & Baghebo, 2014).

Concept of Performance

Performance has been defined as the resultant of efforts in form of activities of the business enterprises which include its strategy and operational activities, management of all segments of business enterprises such as the human resource finance, production marketing (Babafemi, 2015). Small and medium enterprises performance is the effort expended by an enterprises so as to reach and achieve its stated objectives which could include its employee's satisfaction, its customer's satisfaction, the societal satisfaction, its survival, sales growth and retention investment, employment and ultimately profitability. This means that performance is actual output as against expected output (Mark & Nwaiwu, 2015), added that small and medium enterprises performance entails how eell the enterprises is managed in terms of the value perceived by customers in relations to the organization delivery and other stakeholder should be acknowledge when defining performance.

According to Olarewayu (2009) performance reflects the attainments of objectives set in a small scale business that are reflected in the financial indications. Olarewayu (2009), further, explain performance based on financial indicator of financial performance such as earning for each share, sales growth, profitability, return on equity, return on investment and return on sales and market share. However, Oghojafor et al, (2011), assert that performance can be explained as the state of competitiveness of an enterprises which means the level of profruency and efficiency reached by an enterprises that provides a sustainable market. They also added that performance is how a manager effectively and efficiently utilize the organization resources so as to achieve

the organizational goal and satisfy the stakeholders, performance entail how an enterprises identities with their customer's needs and expectations and it reflects in what way on enterprises makes use of its resources in order to ensure its objectives achievement and the attainment of its set goal. An enterprises is effective when it attain an assigned market share or sale growth goals in efficient manner, and thus, the organization is referred to an effective it makes the most of its resources in order to achieved high performance level (Adeleye & Oyenuga, 2008).
In the same vein, Ishaya (2014), stated that performance concerns with growth and expansions in relation to sales and market value. An organization's performance can be measured based on variables that are involved in the productivity, returns growth o even customer satisfaction. Financial performance (reflection to profit maximization maximizing return on assets, and maximizing shareholder return) based on return on investment, residual income, earning per share, dividend yield, price/earnings ratio, growth in sales and market capitalization.

Capital Structure

Capital structure is the way a company finances its assets through the mixture of equity debt or retained earnings. Whether a business is nearly born or its ongoing, it requires fund to carry out its activities Chechet & Olayiwola, 2014). According to Ong & The (2011), capital structure refers to the firm's financial framework which consists of the debt and equity used to finance the firm. It is the percentage of capital at work in a business. The ability of companies to carry out their stakeholders needs is tightly, related to capital structure. However, Akeem, (2014), stated that a firm's capital structure implies the proportion of debt and equity in the total capital structure. It does not include short term credit, but means the composite of a firm's long-term funds obtained from the various sources. Capital structure is the combination of the debt and equity structure of a company. It can also referred to as the way a corporation finances its assets through some combination of equity, debt or returned earnings. However, not all business firm use a standardized capital structure hence they differ in their financial deviation under various terms and conditions it is therefore a difficult situation for these firms to determine the capital structure in which risk and costs are minimum that can raise the value of shareholder wealth and or maximize profit (Uremadu & Efobi 2012). Similarly, Chandra (2019), suggest that capital structure is essentially concerned with how the firms decides to divide its cash flows into two broad components, a fixed component that is earmarked to meet the obligations toward debt capital and a residual component that belongs to equity shareholder. The capital structure of a company is made up of equity

and debt securities that comprises a firms financing of its assets. It is the permanent financing of a firm represented by long-term debt, preferred stock and net worth. So it relates to the arrangement of capital and excludes short-term borrowings. In the same vein, Gerestenberg (2018), opined that capital structure refers to the composition or make up of its capitalization and it includes all long-term capital resources. Hence, capital structure implies the composition of funds raised from various sources broadly classified as debt and equity. It is also the proportion of debt and equity in the total capital that will remain invested in a business over a long period of time.

In the same light, Joseph (2016) affirmed that capital structure is the amount of debt and equity employed by a firm to fund its operations and finance its assets. Debt and equity capital are used to fund a business operations, capital expenditures, acquisitions and other investment. There are tradeoffs firms have to make when that decide whether to use debt or equity to finance operations and managers will balance the two to find the optimal capital structure.

Equity Capital on Profitability of SSBs

Equity capital is funds paid into a business by investors exchange for common or preferred stock. This represents the core funding of a business to which debt funding may be added once invested, these fund are at risk, since investors will not be repaid in the event of a corporate liquidation until the claims of all other creditors have first been settle (Anthony, 2012). According to Jason & Khadija (2019), equity capital referred to as shareholders' equity (or owners' equity for privately held companies), represents the amount of money that would be returned to a company's shareholders if all of the assets, were liquidated and all the company's debt was paid off in the case of liquidations. In addition, shareholders equity can represent the book value of a company. It can be found on a company balance sheet and is one of the most common pieces of data employed by analyst to assess the financial health of a company. Similarly, Marhsall & Brian (2018), equity capital is the value of attributable to the owners of a business. The book value of equity is calculated as the difference between assets and inabilities on the company's balance sheet, while the market value of equity is based on the current share price or a value that is determined by investors or valuation professionals. In accounting, equity is always listed at its book value. This is the value that accountants determine by preparing financial statements and the balance sheet equation. The value of a company's assets is the sum of each current and non-current asset on the balance sheet. The main asset account including cash, account receivable, inventor, prepaid expenses, fixed assets, property plant and equipment, goodwill, intellectual property and intangible assets.

Furthermore, Dun, (2017), suggest that equity capital are raised by issuing share to shareholders. Shareholders are the owners of a business, and bring in capital tax risks and directly or indirectly run the business. The shareholders have last right on the assets of a company. In the closure of a company shareholders are paid in the end, after meeting other claims sales.

Debt Capital and Sales Growth of SSBs

According to Steve & Chins, (2016), Debt capital is the capital that a business raises by taking out a loan. It is a loan made to a company, typically as growth capital and is normally repaid at some future date. Debt capital differs from equity or share capital because subscribers to debt capital do not become part owners of the business, but are merely creditors, and the supplier of debt capital usually receive a contractually fixed annual percentage return on their loan. However, sometimes the loan is paid back based on a percentage of the company's monthly revenue instead of a fixed interest rate. However, James (2016), assets that debt capital occurs when a firm raises money for working capital or capital expenditures by selling debt instruments to individuals and institutional investors. In return for lending the money, the individuals or institutions become creditors and receive a promise that the principal and interest on debt will be repaid. It entails selling fixed income products such as bond bills or notes, to investors to obtain the capital needed to grow and expand its operations, when a company issues a bond, the investors that purchases the bond are lenders who are either retail or institutional investors that provide the company with debt financing.

In the same vein, Claire, (2019) a firm that debt capital refers to borrowed funds that must be repaid at a later date. The loans may be long-term or short term such as overdraft protection. It does not dilute the company owner's interest in the firms. But it can be cumbersome to pay back interest until its loan are paid off especially when interest rates are rising companies are legally required to pay out interest on debt capital in full before they issue any dividends to shareholders while, debt allows a company to leverage a small amount of money into a much greater sum, lenders typically require interest payments in return. Similarly, John (2017) stated that debt capital occurs when a company rises money by selling debt instruments, most commonly in the form of bank loans or bond, such a type of capital is often interfered to as financial leverage. As a result of taking on addition debt, the company makes the promise to repay the loan and incurs the cost interest. It is then able to use the borrowed money to pay for large capital expenditure or fund its working capital. In generally, well established business that demonstrate constant sales, solid collateral, and are profitable, will rely on debt

financing. On the other hand, newly launched business that face uncertainty in the future or business with high profitability, but lower credit rating will more likely rely on equity financing.

Theoretical Framework

There are so many theories that can explain the study of this nature. Therefore, Trade-off theory, peeking order theory and Agency cost theory will be reviewed for the purpose of this study.

Trade-Off Theory

Was propounded by Kraus and Litzenberger in 1973, who properly initiated the tax benefit related to borrowed finance and financial distress costs into a state, preference mode. This theory suggested that, balancing of cost and benefits are the main factors in deciding the amount of borrowed fund and owners' equity to use. The offsetting of benefit against costs of debt in capital structure is well addressed by trade-off theory. It deliberates on the numerous corporate finance options that a corporation encounters. According to the theory debts and equity capital are normally the two sources of finance to a firm.

Capital structure Trade-off theory is of significant in explaining that firm's total capital comprises of part equity and debt forms the other part according to theory debt finance had an advantage of tax on interest though there is floatation cost, also non-bankruptcy and bankruptcy costs that forms financial distress cost.

According to Brigham & Ehnrhadt (2005), trade-off theory suggests that the unlevered firm value together with the cost of side effect firm value together with the cost of side effect arising from tax shield and cost from financial distress. The possibility of bankruptcy is low and in material to a firm that has not been financed by debt or low debt financing.

Peeking Order Theory

This theory was postulated by Myers and Majluf 1984. According to the theory firms develop an order ranking when it comes to capital required to finance business operation. Due to lack of adequate information and a good link between future investors and firms, the preference will be follows, debt better than equity, retained earnings, preferred to debt, and short-term loan superior than long-term loans. Myers, Mayful maintained that to resolved information asymmetry firms would not require to issue new securities but instead use retained earnings to support investment opportunities.

The peeking order theory depends on the idea of asymmetric information involving outsiders (investors) and insiders (managers, this helps managers in selecting the best source of finance. Myers (1984) claims that retained earnings are better than debt and debt is better than equity when selection is done unfavorably.

Agency Theory

Jensen & Meckling, 1976 developed the theory. The focal point is on the behavioral association among the owners (principles) and those others (agents) who are contracted by the owners to execute duties behalf of the principles. The theory of agency focuses on the perception that shareholders interest are not among the priorities of the managers. Jensen & Mecking (1976) further go into detail on this concept by recognizing two foremost conflicts between parties in a company. Firstly, shareholders disagrees with the creditors. In the first case managers are enticed to pursue the profits of the firm they oversee to their own individual gain at the disadvantage of the shareholders. In the latter case, debt imparts shareholders with the enticement to invest sub-optimally. Managers may perhaps avoid extreme level of leverage if they sense that, it puts their jobs and income at stake. Alternatively, shareholders can spread company certain risk. Nelson, (2004) submits that management might recommend a project ahese, net present value is positive and the gain mainly go to bond holders.

Comba (2013) assets that by increasing reliance in debt financing can help firms to lowering their agency cost. The demand for financing through owners' equity reduces together with related agency cost. Nevertheless, a corporation's capability to progressively depend on long-term financing is restrained owing to debts high agency cost ensuring from the likelihood of the firms dividing into financial distress. The managers of SSBs can raise their stake of ownership in the firm and bring into their interest with those of shareholders ensuring in a coming together of interest among shareholders and managers. Even by enhancing the firm equity share the diversification of individual portfolio is owned by the management.

Furthermore, from the stated theories Agency theory is the most relevant to this study. The theory holds that investment in capital structure components such as equity, capital bring together the interest of shareholder and that of managers.

Methodology

This study was restricted to five (5) selected small scale business in Maiduguri metropolis, Borno State, Nigeria. The population of this study comprises of two hundred and thirty nine (239) employees of five (5) selected small scale businesses in Maiduguri

Metropolis. The SSBs under consideration are bakery industry Table Water Industry, shoe industry, furniture firm limited and laundry service. The sample size of the study is two hundred and thirty nine (239) respondents, selected from the study population using Yamane formula (1967) that is n=N/(1+N(e2) where n=sample size, N=Population, e=Level of significant(5%), 1=constant, from the given data, N=239, e=5%, n=239/ (1+239(0.0025) = 150. Questionnaire were distributed to 150 respondents and 145 questionnaire were retrieved. The datd was analysed using multiple regression with the aid of the statistical package for social sciences (SPSS) version 20.6 and model was specified in line with the hypotheses.

Testing of Hypothesis

H01: equity has no significant effect on profitability of selected SSB in Maiduguri Metropolis.

Table 1 Model Summary Profitability

Model	R	R-square	Adjusted R-square	Std. Error of the estimate	Durbin Watson
1	0.756[a]	0.694	0.6692	4.142	4.231

Field Survey, 2023

a. Predictor (constant) equity
b. Dependent variable profitability

Table 1 shows a strongly correlation between capital structure and profitability with R-value of (0.756) which represent 76% and R-square value of (0.694) which shows 69% of the variability in equity capital are explain by profitability. It indicates that there is a positive correlation between equity capital and profitability in the study area.

Table 2 Regression coefficient[a]

Model	Unstandardised coefficient		Standardized coefficient	T	Sig
	B	Std error			
Constant	19.251	1.008		19.424	.000
	.396	.274	0.076	1.524	.000

Source: Field Survey, 2023

Table 2 shows that standardized beta weight of r-coefficient and part correlation signifying the correlation between equity capital and profitability with a p-value <0.05

implying that equity has significant effect on profitability of the study area. Therefore, the null hypothesis which state that equity capital has no significant effect on profitability is not accepted otherwise rejected.

Decision: Since the R-square value of (0.694) which represent 69% by which the variables explain the model fits of the data. However, T-value of the coefficient of multiple regression is 1.524.Therefore, the Beta value of coefficient is (0.761) which represent 76% of the coefficient in response to p-value of the regression coefficient are also significant at level of (0.000) which is less than alpha value of (0.05) that is p<0.000 p<0.05. this conclude that the null hypothesis is rejected and the result shows that equity capital has not significant effect on profitability of selected small and medium enterprises in Maiduguri Metropolis of Borno State, Nigeria.

H02: Debt has no significant effect on sales growth in selected SSB in Maiduguri Metropolis.

Table 3 Model Summary

Model	R	R-square	Adjusted R-square	Std. Error of the estimate	Durbin Watson
1	0.714[a]	0.6515	0.6234	3.946	3.721

Source: Field Survey, 2023

a. Predictor (constant) debt capital
b. Dependent variable sales growth

Table 3 show a strong correlation between capital structure and sales growth with R-value of (0.714) which represent 71% and R-square value of (0.6514) which shows 65% of the variability in debt capital are explain by sales growth. It indicates that there is a positive correlation between debt capital and sales growth in the study area.

Table 4 Regression Coefficient[a]

Model	Unstandardised coefficient		Standardized coefficient	T	Sig
	B	Std error			
Constant	18.962	1.006		18.912	.000
	.351	.253	0.073	1.485	.000

Source: Field Survey, 2021

Table 4 shows that standardized beta weight of r-coefficient and part correlation signifying the correlation between debt capital and sales growth with a p-value <0.05

implying that debt capital has significant effect on sales growth of the study are. Therefore, the null hypothesis which state that debt capital has no significant effect on sales growth is not accepted otherwise rejected.
Decision: Since the R-square value of (0.6513) which represent 65% by which the variable explain the model fits of the data. However, T-value of the coefficient of multiple regression is 1.485. There, the Beta value of coefficient is (0.72) which represent 72% of the coefficient responses to p-value of the regression coefficient are also significant at level of (0.000) which is less than alpha value of (0.05) that is $p<0.000$ $p<0.05$. This concludes that the null hypothesis is rejected and the results shows that debt capital has no significant effect on sales growth of selected SSB in Maiduguri metropolis of Borno State, Nigeria.

Discussion and Result

This study examined the effect of capital structure on the performance of small scale business in Maiduguri Metropolis, Borno State and come up with the following findings. Findings of the study revealed that equity capital has no significant effect on profitability in the study area. Further to that as one increase debt financing in the capital structure the profit tends to decrease due to the fact that debt financing increase operating settlement of the firm.
Another finding also revealed that debt capital has no significant effect on sales growth in the study area. It is clear to note that capital structure affects the sales growth of SSB. This makes the business environment to be favorable to most SSB that cope with the challenge of competitors.

Conclusion

There is enough evidence of a negation relationship between capital structure and profitability. It has also been revealed that utilization of different levels of debt and equity sources enables firms to invest more and have more profit. The research shows that there is enough profit that capital structure enables small scale business enterprise to engage in financial investment. A high degree of equity financing (internal sources) implies relative high level of profitability.
SSBs with good asset base attracts lending financial institutions hence boosting their performance as they are able to face challenges that are in business cycles. However, the study refutes high rate of borrowing as this can have negative effect to the performance of a firms especially when gearing ratio exceeds limits. Its quite important for every firm

irrespective of the size acquire fixed assets so as to boost their financial position and ales growth.

In the same vein, many business have therefore preferred equity and debt capital in financing operations. It can be used to expand the business, require fixed assets and repay loans and implementation of future plans all geared toward improved performance and market share of the small and medium enterprises.

Recommendations

(1) SSB should develop an investment policy that will enable them maintain an option structure and seek financial advisory services to carry out a continues survey of their firm liquidity position an audit to their book of account and should make good investment decision in order to increase profitability.

(2) SSB should be willing to come up with ways to increase the amount of stocks in order to increase financial liability which will improve sales growth among the small scale business in different sectors.

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