

**THE EFFECT OF MICRO - FINANCE SERVICES ON THE
GROWTH OF SMALL AND MEDIUM ENTERPRISES IN ELGEYO-MARAKWET
COUNTY**

BY,

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BBM/043/2012

**A RESEARCH PROJECT SUBMITTED IN PARTIAL
FULFILMENT OF THE REQUIREMENTS OF THE AWARD OF THE
DEGREE OF BACHELOR IN BUSINESS MANAGEMENT
SCHOOL OF BUSINESS OF MAASAI MARA UNIVERSITY**

ABSTRACT

The objectives of this study were to analyse how provision of microfinance services affects growth of small and medium enterprises, to determine how microcredit facilities affect growth of small and medium enterprises, to investigate how the provision of insurance services affect growth of small and medium enterprises and finally to find out how training affect growth of small and medium enterprises. This study used stratified random sampling to collect data from 161 businesses. Collection of data was done using a questionnaire whose validity and reliability was established in the pilot test. Descriptive research was used in the study and the quantitative data gathered was presented in bar graphs and pie charts. Analysis was done using Microsoft Excel. The study established that Microfinance services played an important role in the growth of small medium enterprises by providing the following services; micro-credit services, financial skills training and insurance services. The study recommends that Microfinance Institutions should play a larger role in the provision of capital. The study recommends that Microfinance Institutions should employ field employees to sensitize the SMEs on financial skills training and gather information to minimize adverse selection. The study recommends that Microfinance institutions should be more active in providing role models necessary for business success and finally Microfinance Institutions should create awareness of their services.