

ABSTRACT

This research project was conducted majorly to gain an insight into the influence which cash management techniques and policies have on the financial soundness of micro, small and medium enterprises within Narok Town .The other objectives included to assess the contribution of cash planning practices on capital adequacy, to investigate influence of managing cash flows on earnings and hence profitability and to find out effect of cash budgeting on liquidity of the enterprises studied. The study employed survey research design in descriptive research which targeted a population of 866 small and medium enterprises within Narok Town. The research used purposive sampling and quota sampling to select 68 enterprises in the different categories of small and medium enterprises for study. The research study elicited questionnaire use as a tool to gather primary data from the respondents with the data collected being then represented in contingency tables, graphs ,charts and analyzed using social sciences SPSS software which involved use of percentages in order to interpret the results of the research study. The study concluded that some of the small businesses that had embraced at least one of the techniques discovered to manage their finances were experiencing few occurrences offinancial cash flow problemsand therefore recommends that SMESowners be trained and encouraged to apply cash management practices for effective management of their finances and in order to achieve financial soundness of their enterprises thereby ensuring continuity of business operations, goal for the setting up of the firms to this end

