



Impact of Microfinance Banks' Credit on the Performance of Small and Medium Scale Enterprises in Oyo State

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Abstract

The contribution of microfinance banks' credit to the performance of small and medium scale enterprises in Nigeria has been an issue that has gained momentum among scholars of repute. Different studies have been conducted in this light and their findings have been generically validated over time and have become basis for further researches. However, much studies have not been articulated towards underpinning impact of microfinance credit on performance of small and medium scale enterprises, with profitability and market size as performance indicators. This study was anchored on growth theory, propounded by Harold (1939) and Dolmar (1946). Two hypotheses were formulated and tested using regression analysis. The results showed that microfinance bank credit had significant impact on profitability and market size of small and medium scale enterprises. It was recommended that government should create an enabling environment for business opportunities to thrive in the country and that the conditions for accessing the credit facilities by the small and medium scale enterprises should be less stringent.

Keywords: Performance, Small and Medium Scale Enterprises, Profitability, Market Size, Credit Facilities

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