



**Lupane State University**  
*Building Communities through Knowledge*

**Faculty of Commerce**  
**Department of Accounting and Finance**

**AN INVESTIGATION INTO PROBLEMS FACING SMALL-TO-MEDIUM  
SIZED ENTERPRISES IN ACHIEVING GROWTH IN VICTORIA FALLS,  
ZIMBABWE.**

**BY**

**NONTOKOZO NCUBE**

**LOI1 0232 A**

**SUPERVISOR: MS S. CHIVASA**

**THIS DISSERTATION IS SUBMITTED IN PARTIAL FULFILLMENT OF  
THE REQUIREMENTS OF BACHELOR OF COMMERCE HONORS  
DEGREE IN ACCOUNTING & FINANCE AT LUPANE STATE  
UNIVERSITY, BULAWAYO.**

**MAY 2014**

## **ABSTRACT**

This study adopts an investigatory research into problems facing Small-to-Medium Sized Enterprises (SME) in Zimbabwe with emphasis placed on the factors that have limited the growth of SME's in Zimbabwe. To achieve the objective of the study, thirty (30) SMEs in Victoria Falls were selected. An openended questionnaire was distributed to each owner or Manager of the SMEs selected for the study and the data collected were analyzed using descriptive statistics. The findings reveals that SMEs do not maintain proper accounts as a result they cannot be able to identify, assess their business performance effectively. More so, about 70% of respondents indicated that did not have adequate funding, while 23% had post secondary qualifications and in all cases segregation of duties was minimal and the decision making was left to the owners of businesses. Compared to corporatcs where directors are accountable to shareholders, aiming at improving shareholder wealth, with SME's there is no such accountability. The study recommend among others that SMEs should try to maintain proper books of accounts so that they will be able to plan, identify, assess and manage performance effectively and efficiently, in addition SMEs owners as a matter of necessity should undertake to attain entrepreneurial skills or alternatively engage personnel with the requisite skills. Proprietors should also endeavor to improve on the management style of businesses in as much they are owned by them, the businesses need to survive and grow to have a competitive edge against other businesses that are competing for the same market. In as much as the government seeks to raise its revenue collections in taxes, the study recommends that the government reduces such taxes as they are beyond the reach of small enterprises who end up adopting unethical means to evade such taxes. Also the research recommends that that the indigenisation program is made transparent and known to all while funds should be availed to the up and coming organizations at minimal interest rates and minimum requirements. With a change in the proprietors view of businesses and the government intervening by reducing taxes and providing funds, small to medium organizations stand to grow considerably.