

ABSTRACT

Small and Medium sized enterprises make a big contribution to economic growth and provide a major source of employment particularly in developing country. In the great extend, SMEs cannot grow well by using their own capital thus external finance through loans from financial institutions and commercial banks are the alternative to boost working capital, therefore most of the SMEs are borrowing from the Banks and other financial institutions to expand their businesses in return the principal attached with interest rates.

The study used research tool namely questionnaire, interviews, observation and secondary data in attempt to identify factors that contributes to the growth of business (SMEs), the study looked at a number of variables including interest rates, loan payment and competitive strategy.

This study is the descriptive case study conducted at NMB Plc, Ngarenaro branch where the researcher justified the existence of the SMEs business growth. The researcher findings confirmed the following major factors, which include multiple borrowing, lack of training, loans diversification, poor economic performance, and competition.

The study comes up with recommendation that if would be implement properly, the problem will be minimized that include: prevent multiple borrowing, business management skill, funds diversion, and good management of working capital.

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