Empirical Analysis of Determinants of Liquidity Positions of SMEs in Greater Accra Region of Ghana

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Abstract

This research paper analyses the determinants of liquidity positions of SMEs in Greater Accra Region of Ghana. The study used semi-structured questionnaires to collect primary data from 70 SMEs in the Region. In estimating the liquidity positions, the Acid-Test Ratio (ATR) was used. Out of the 30 new SMEs, 18 of them representing 60 percent were liquid. Conversely, 21 representing 52.5 percent out of the 40 existing SMEs were liquid. Averagely, both new and existing SMEs are liquid and can meet their recurrent expenditures. From the ATR values calculated, existing SMEs are more liquid than the new SMEs. The multivariate log-linear regression model empirically reveals that legal structure of SMEs, gender of owner manager, experience level of owner manager, level of decision making of owner manager (major or minor decision maker) and income tax are factors that influence liquidity levels of SMEs. It is recommended that new SMEs should not spend much of their capital on fixed assets so that they can get enough working capital to pay for their current liabilities. Since personal attributes and skills of owner manager significantly affect the liquidity levels of SMEs, it is prudent for human capacity building organizations such as MASLOC, Ghana Investment Promotion Council, Financial Institutions and NGOs noted for that purpose to institute skills development programmes for people in the management level of SMEs. The study concludes that new SMEs which are struggling to gain liquidity position should be granted tax holiday for some time.
Keywords: SMEs, Greater Accra Region, Ghana, ATR, log-linear regression model, multivariate regression and liquidity.

1. Introduction

Over the years there has been unprecedented contribution of Small and Medium-Scale Enterprises (SMEs) to the overall Gross Domestic Product (GDP) of Ghana. Many local and foreign businesses are in the SME envelope and their contribution to the employment creation and sustenance in Ghana cannot be underscored. Majority of the businesses registered at the Registrar's General Department are SMEs. According to Mensah (2004), about 90 percent of the companies registered at Registrar's General Department are SMEs. SMEs in Ghana employ majority of the labour force thereby putting less pressure on government in creating jobs to absorb the unemployed in the economy. Generally, a small scale enterprise employs about 1 to 29 people whereas a medium scale enterprise has a total employee of 30 to 99 (Mensah, 2004).

According to Quainoo (2011), SMEs in Ghana can serve as sources of livelihood to the poor, create employment opportunities, provide income and contribute immensely to economic growth and development of the country. SMEs in Ghana like their counterparts in other developing countries have a greater impetus for increasing the economic development of the country as their activities affect every aspect of the economy. Meanwhile, the infiltrations of foreign companies which are engaged in all sectors of the economy are causing more harm than good to the SMEs in the country. Likewise local challenges of the SMEs are also hindrance to their advancement. Many SMEs have over the years been grappling with weak domestic demand of their products. They are not as competitive both in the local and international markets as compared to the foreign companies. Domestic trade and economic barriers have prevented some of the new SMEs from expanding to take advantage of the international demand for their products. It is imperative to know that most large companies seen today started as small enterprises, so the ability of SMEs to develop and invest should be the heart of government with the intention of achieving greater laurels in economic advancement (Augusto et al., 2008).

Even though, Greater Accra is the smallest region among the ten administrative regions in Ghana, it has majority of its population engaged in SMEs businesses. Many households in the region depend in one way or the other on SMEs activities for survival. SMEs occupy the central part of the Ghanaian economy, they put food on the table for majority of the people. While 30.4 percent of the populace in Greater Accra Region is engaged in wholesale and retail trade, 16.7 percent are in manufacturing activities (Ghana District Repository, 2006). Every SME is formed with the ultimate aim of making profit and expanding to become a big company in the near future. While some SMEs make abnormal profits, some cannot even break-even (Mabe et al,. 2013). For a firm to break-even, the liquidity position of that firm need to be resilient to help the firm meet its day to day financial requirements.

However, many SMEs have their capital tied in fixed assets depriving them of enough current assets to effectively meet daily operations of their businesses. Some of the SMEs take loans and use the larger proportion to build fixed assets which cannot be easily converted to current assets thereby affecting their short run financial requirements. In a developing country like Ghana, there are often high rates of start-up of businesses but low rate of sustainability of those businesses. This challenge could be due to lack of managerial skills, confidence, education and access to SME capital.

Many SMEs are battling with financial institutions about repayment of loans. Loan is a liability which affects the liquidity position of firms. Quainnoo (2011) examined the impact of loan financing on the performance of SMEs in Ghana. Though, many studies have been conducted on SMEs in Ghana, the concentration of these researchers have been on SMEs financing, constraints facing SMEs and SMEs developments (Abor et al., 2010; Mensah, 2004 and Quainoo, 2011). The liquidity positions of SMEs have not been looked at let alone the determinants of liquidity position of SMEs in Ghana. A firm is said to be liquid if that firm can easily convert its assets into cash in the short run. Liquidity positions of firms affect their sustainability or continual existence. So, knowing the liquidity levels and the determinants of these liquidity levels will fill the knowledge gap.

2. Methodology

2.1 Estimation of Liquidity Position of SMEs

The liquidity positions of new and existing SMEs were estimated by using liquidity ratios such as current ratio (CR) and acid test ratio (ATR). On the aggregate, the average current ratio (ACR) and the average acid test ratio (AATR) were estimated for new and existing SMEs separately and compared. According to Wood and Sangster (2002), current ratio can be defined as the ratio of current assets (CA) to current liabilities (CL) of a firm. Cambridge International College, CIC (2006) expressed acid test or liquidity ratio as the ratio of liquid assets (LA) to the current liabilities (CL). Therefore, the mathematical equation for CR of ith firm can be expressed as:

$$CR_i = \frac{CA_i}{CL_i}\ldots\ldots\ldots\ldots\ldots\ldots\ldots\ldots \text{ (1)}$$

The average or mean current ratio

$$ACR = \frac{CR_i}{n}\ldots\ldots\ldots\ldots\ldots\ldots\ldots\ldots \text{ (2)}$$

The mathematical equation for acid-test ratio or liquidity ratio of ith firm is expressed as:
$$ATR_i = \frac{LA_i}{CL_i} = \frac{CA_i - S_i}{CL_i} \ \ldots\ldots\ldots\ (3)$$

Also, the average acid test ratio is expressed as:
$$AATR = \frac{\sum ATR_i}{n} \ \ldots\ldots\ldots\ldots\ (4)$$
where i represents the ith firm, n the total number of respondents (firms) and S the stock of goods.

Equation (3) unlike equation (1) was used to estimate the liquidity ratios of new and existing SMEs in the Greater Accra Region of Ghana because it is a better measure of the ability of a firm to meet its recurrent expenditure. The subtraction of the stocks of the firm from its current assets makes the ATR lower than CR. Sometimes, the stock of the firm cannot be easily converted to cash in the shortest possible time and hence the need for the use of acid test ratio to measure liquidity positions of firms.

The larger the ACR, the better it is for the enterprise as this will enable it to meet its current liabilities requirements when the need arises. If AATR of the firm A in a particular group (either new SMEs or existing SMEs) is greater than firm B, then firm A is more liquid and can pay for it current liabilities. It is expected that existing SMEs will be more liquid than new ones.

2.2 Determinants of Liquidity Positions of SMEs

Regression analysis can be used to identify the factors that significantly affect the liquidity ratio of SMEs. It can also quantify the magnitude of the effects of the identified factors on the liquidity ratio. The independent variables considered in these studies are demographic characteristics (age of the SME, size of the SME and legal structure of the SME), owner manager characteristics (gender, educational level, experience and major decision making) and financial characteristics (total annual wage expenses, annual income tax, trade creditors, trade debtors, short term investments and bank overdraft). Following Drever (2006) and Hinson et al. (2006), a standard multivariate regression equation modified for this study which can be used to ascertain the determinants of liquidity ratio (LR_i) of SMEs is represented as:

$$Log(ATR_i) =$$
$$\beta_0 + \beta_1 Siz_i + \beta_2 Leg_i + \beta_3 Gen_i + \beta_4 Edu_i + \beta_5 Exp_i + \beta_6 Dec_i + \beta_7 STI_i + \qquad \beta_8 Typ_i + \beta_9 Tx_i +$$
$$\beta_{10} Col_i + \beta_{11} TD_i + \beta_{12} TC_i + \beta_{13} Mon_i + \beta_{14} WC_i + \mu_i \ (5)$$

The a priori expectations shown in the table 1 depict the mathematical representation of alternate hypotheses for the explanatory variables.

Table 1. Description, measurement and a priori expectations of independent variables

Variable	Description	Measurement	Coefficients	A priori expectation
Siz	Size of SME	Total number of employees	β_1	+
Leg	Legal structure of the SME	1= incorporated 0 = not incorporated	β_2	+
Gen	Gender of owner-manager	1 = male, 0 = female	β_3	+
Edu	Education level owner-manager	1 = tertiary level, 0 = otherwise	β_4	+
Exp	Experience of owner-manager	Number of years worked	β_5	+
Dec	Major decision maker	1 if owner-manager is a major decision maker, 0 otherwise	β_6	+
STI	Short term investment	Money (Gh¢)	β_7	+
Typ	Type of SME	1= existing SME and 0 for new SME	β_8	+
Tx	Total annual income tax	Money (Gh¢)	B_9	-
Col	Collateral	Percent of fixed assets to total asset	β_{10}	-
TD	Total money to be paid to debtors	Money (Gh¢)	β_{11}	+
TC	Total money own by creditors	Money (Gh¢)	β_{12}	-
Mon	Number of Months of SME since establishment	Months	β_{13}	+
WC	Working capital	Money (Gh¢)	β_{14}	+

2.3 Data Source and Sample

The SMEs considered in this study are new and existing SMEs. All SMEs that have been in the business for one to two years (2009 – 2011) are considered new. Existing SMEs sampled are firms which have operated successfully for two years and above. Primary data was collected by administering semi-structured questionnaires to the respondents (management members) of the SMEs. SMEs were randomly sampled for the cross-sectional data collection after which they were grouped into new and existing ones based on the categorization made. The questionnaire used was pre-tested to ascertain the consistency and clarity and also avoid ambiguity and duplication of questions. The data obtained was analyzed using SPSS, Microsoft excel and EViews. The acid-test ratio which measures the liquidity ratio of each firm was estimated and used to run the multiple regressions given the explanatory variables.

3. Results and Discussion

3.1 Liquidity Positions of New and Existing SMEs

The CR, ATR, ACR and AATR calculated for new and existing SMEs are presented in appendices 1 and 2. All the values presented in appendices 1 and 2 are current assets' and current liabilities' variables for 2011 financial year.

From appendix 1, the average current ratio for new SMEs (ACR_{new}) is 15.03.This value implies that on the average, the current ratio of 30 new SMEs that were considered in this study is greater than one. In spite of the above mentioned trade and economic barriers to entry facing new SMEs, they were still liquid to meet their current liabilities in 2011 financial year. Column 10 in appendix 1 indicates the values of current ratios of each new SME. Some of the enterprises were liquid whiles others are not. 12 out of the 30 new SMEs had their total current assets being less than their total current liabilities. Meaning 12 of the new SMEs were not liquid. This shows that 40 percent of the new SMEs did not have enough working capital to deal with their current liabilities and other unforeseen circumstances.The remaining 18 new SMEs representing 60 percent were liquid.

The acid-test ratio is a better measurement of the liquidity position of an enterprise.   The average acid-test ratio of new firms as presented in column 11 in appendix 1 is 3.37. This value confirms the average current ratio estimated above as it indicates that the total average assets of new SMEs are greater than the total average liabilities by 3.37 times. This implies that new firms were slightly liquid and hence were able to meet the day to day financial requirements of their businesses. At the individual firm levels however, 19 out of 30 new SMEs representing 63.3 percent were not actually liquid. Only 36.7 percent of them were liquid because they had the total value of their liquid assets being greater than the current liabilities. The difference in the value for the current ratio and the acid test ratio is that the latter excludes the stock of goods and hence is always smaller than the former. Therefore, acid test ratio is the best measure for liquidity position of a company.

Appendix 2 presents values for the various variables of current assets and current liabilities of 40 existing SMEs considered in this research. On the average, the current ratio of 40 existing firms considered was 19.12. This value indicates that they were liquid. This value is confirmed by the better measure of liquidity ratio thus average acid-test ratio of 13.11 for the 2011 financial year. Since this value is greater than one, the average total value of the liquid assets was greater than the total value of the current liabilities. Out of the 40 existing firms, 21 (52.5 percent) of them were liquid whiles 19 (47.5 percent) were illiquid. Since the SMEs are liquid, their financial sustainability in the short run as noted by Fadahunsi (2012) need to be maintained through prudent financial management subject to certain factors.

Comparatively, the average acid-test ratio (liquidity ratio) of existing SMEs is greater than new SMEs. This means, existing SMEs are more liquid than new SMEs on the aggregate. This could be attributed to the fact that the new SMEs had their capital tied in fixed assets thereby reducing the total value of their current assets. Also, the requirements for them to start their enterprises were huge and had reduced their current assets.

Table 2 Descriptive statistics of continuous variables

Variable	Minimum	Maximum	Mean	Standard Deviation
ATR	0.01	352.09	9.20	43.40
Siz	1.00	66.00	19.88	11.48
Exp	0.00	15.00	3.35	3.38
STI	0.00	56000.00	2950.99	9441.92
Tx	34.00	9382.20	2001.65	2049.72
Col	0.22	53.58	15.76	12.34
TD	0.00	900021.00	52048.36	145533.70
TC	565.00	3444001.00	185759.00	547272.60
Mon	3.00	105.00	19.66	18.04
WC	-3260896.00	903137.80	21930.89	547701.40

3.2 Determinants of Liquidity Positions

Multivariate regression model was used to identify the factors which affect the liquidity positions of SMEs in Greater Accra Region. The log-linear functional form was used to quantify the magnitude of the effects of the factors influencing liquidity positions. Table 3 below shows the multivariate regression results of log-linear model. The coefficient of determination (R^2) value of 0.8503 implies that the explanatory variables in the model significantly explain about 85.03 percent variations in the dependent variable (acid-test ratio). Based on the F-statistic value of 21.50, the overall effects of the explanatory variables is significant at 1percent. The Durbin-Watson statistic value is 1.84 implying that multicolinearity is not statistically evidence in the explanatory variables. Also, the White Heteroskedasticity Consistence Standard Errors and Covariance illustrated in the results suggest that the conditional variance of the error term is constant and this satisfies homoscedastic assumption of the variance of the error term (Gujarati, 2004).

The log-linear multivariate regression results shown in table 3 below reveals that legal structure of SME, gender of owner manager, experience level of owner manager, major decision maker of owner manager, income tax and type of SMEs are the factors which significantly influence liquidity position of the SMEs. Legal structure of SMEs; either incorporated or non-incorporated is significant at 5percent. The slope coefficients give the indication about the magnitude of the effects of the explanatory variables on the liquid levels (acid-test ratio) of SMEs. The positive slope coefficient suggests it meets the a priori expectation that incorporated SMEs are more liquid than non-incorporated SMEs. The marginal effect value of 7.76 implies that incorporated SMEs have 7.76 acid-test ratio more than non-incorporated ones. The revelation is consistent with economic concepts and literature indicated by Garcia (1994).

The gender of owner manager is statistically significant at 1 percent and also conforms to the expected direction of the sign. From table 3, the slope coefficient value of gender is 6.92 and this value points out that male owner manager SMEs are more liquid than female owner manger SMEs by acid-test ratio difference of 6.92. This outcome is analogous to Coleman (2004) observation that male owned manager SMEs are more liquid than female owned manager SMEs. Generally, males are risk averse and will always keep considerable amount of money to be used to settle current liabilities.

Experience of manager has a positive marginal effect on liquidity positions of SMEs. An increase in the experience of manager by one year increases the acid-test ratio (liquidity position) by 1.34. This value infers that SMEs managed by highly experience managers are more liquid and hence can meet the day to day financial requirements of their firms. This disclosure is in conformity to the economic concepts underpinning experience of managers and liquidity positions of SMEs. Managers who have worked over a number of years always keep enough liquid assets for current expenditure. The person involved in major decision making is very crucial in determining the liquidity position of SMEs. It is worth noting from the result that SMEs which have owner manager as the major decision maker is statistically significant at 5 percent and conforms to the expected direction of the effects. The marginal effects value of 4.99 signifies that SMEs with owner manager as major decision maker have 4.99 acid-test ratio more than SMEs without owner manager as major decision maker. More often than not, owner managers are final deciders for financial issues. Therefore, if owner manager is a major decision maker, he/she is always available and ready to provide money or sign checks for withdrawal of money for day to day running of the SME. Owner managers can quickly take decision to liquidate an asset. The reverse is true for non-owner manager decision making SMEs.

One cannot talk about factors affecting liquidity position of SMEs without mentioning income tax. Income tax significantly influences the liquidity level of SMEs but it does not meet the a priori expectation. Even though, income tax is an expenditure which is supposed to deflate the liquidity levels of SMEs; the reverse is revealed in this study. The type of SMEs cannot be ruled out as a determinant of liquidity position. It is significant at 10 percent but does not meet the a priori expectation.

Table 3 Multivariate regression results of log-linear model

Variable	Coefficient	Marginal Effects	Std Error	t-Statistic	Prob
Siz	-0.014231	-0.13091	0.012694	-1.121068	0.2673
Leg	**0.843856**	**7.762358**	**0.321223**	**2.627006**	**0.0112****
Gen	**0.751830**	**6.915841**	**0.253522**	**2.965546**	**0.0045*****
Edu	0.147507	1.356869	0.354355	0.416270	0.6789
Exp	**0.145936**	**1.342418**	**0.064286**	**2.270123**	**0.0273****
Dec	**0.542406**	**4.989417**	**0.262087**	**2.069567**	**0.0434****
STI	6.96E-06	6.4E-05	9.62E-06	0.723591	0.4725
Typ	**-0.485377**	**-4.46483**	**0.287510**	**-1.688209**	**0.0972***
Tx	**0.000159**	**0.001463**	**8.53E-05**	**1.859057**	**0.0686***

Col	-0.007334	-0.06746	0.008566	-0.856136	0.3958
TD	1.53E-06	1.41E-05	1.05E-06	1.456560	0.1511
TC	-9.63E-07	-8.9E-06	5.99E-07	-1.609038	0.1135
Mon	0.007159	0.065853	0.012988	0.551216	0.5838
WC	-1.49E-07	-1.4E-06	6.24E-07	-0.237994	0.8128
C	-1.550097	-14.2588	0.427869	-3.622830	0.0007

R-squared	0.850312	F-statistic	21.50492
Adjusted R-squared	0.810771	**Prob(F-statistic) 0.000000*****	
Durbin-Watson stat	1.837858		

White Heteroskedasticity-Consistent Standard Errors & Covariance
Dependent variable: Log(Acid-Test Ratio)
Mean of dependent variable = 9.1988

*** P-Value < 1 percent   ** P-Value < 5 percent   * P-Value < 10 percent

Source: Analysis from field data (2011)

4. Conclusions and Recommendations

This study comparatively examines the liquidity levels of new and existing SMEs in the Greater Accra Region of Ghana. The measure for liquidity position used in this study was Acid-Test Ratio (ATR). In determining the factors influencing liquidity levels of SMEs, multivariate regression model was used. The dependent variable, ATR which measures the liquidity levels of SMEs is regressed on the explanatory variables.

Out of the 30 new SMEs, 18 of them representing 60 percent were liquid. On the other hand, 21 SMEs representing 52.5 percent out of the 40 existing SMEs were liquid. The AATR indicates thataveragely both new and existing SMEs are liquid and can meet their recurrent expenditures eventhough at the firm level some are illiquid. From the AATR values calculated for the two categories of SMEs, existing SMEs are more liquid than the new SMEs implying that new SMEs have much of their capital tied in the fixed assets during the time of establishment. Personal attributes such as age, experience and major decision making manager (either owner manager or otherwise) significantlyaffect liquidity level of SMEs and this is a clearindication that the ability of SME to meet its day to day financial requirement is largely determined by these attributes. This implies that personal attributes are key factors in the liquidity levels of SMEs.

As new SMEs have lower liquidity ratio as compared to existing ones, it is recommended that SMEs commencing their operations should not spend too much money on fixed assets to the neglect of the provision for recurrent expenditure. They should reserve much money to deal with unforeseen circumstances as well as settle their current liabilities. Since some of the personal attributes and skills of owner manager significantly affect the liquidity levels of SMEs, it is prudent for human capacity building organizations for SMEs in the country especiallyMicrofinance and Small Loans centre (MASLOC), Ghana Investment Promotion Council (GNPC), Financial Institutions and NGOs to intensify skills development of people involved in decision making of SMEs.

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Appendix 1   Liquidity Positions of New SMEs

1	2	3	4	5=1+2+3+4	6	7	8=6+7	9=5-8	10=5/8	11=(5-1)/8
S	TD	STI	CBB	CA	BO	TC	CL	WC	CR	ATR
6500.84	0.00	0.00	227.82	6728.66	0.00	23000.42	23000.42	(16271.76)	0.29	0.01
30060.00	0.00	0.00	2322.82	32382.82	0.00	15266.60	15266.60	17116.22	2.12	0.15
1000.00	21900.02	5000.0	67002.02	94902.04	0.00	42572.00	42572.00	52330.04	2.23	2.21
9500.90	29200.6	0.00	0.00	38701.50	0.00	95000.30	95000.30	(56298.80)	0.41	0.31
2500.00	0.00	0.00	0.00	2500.00	0.00	220000.78	220000.78	(217500.78)	0.01	0.00
435.00	0.00	0.00	0.00	435.00	0.00	233330.40	233330.40	(232895.40)	0.00	0.00
32000.00	7721.30	564.00	29000.00	69285.30	0.00	34850.60	34850.60	34434.70	1.99	1.07
29800.67	7330.00	0.00	8055.50	45186.17	0.00	4564.72	4564.72	40621.45	9.90	3.37
1633.00	764.00	7956.0	4050.68	14403.68	0.00	14080.00	14080.00	323.68	1.02	0.91
349.30	0.00	70.83	400.00	820.13	0.00	6350.00	6350.00	(5529.87)	0.13	0.07
38392.00	6748.50	0.00	16585.45	61725.95	0.00	35645.04	35645.04	26080.91	1.73	0.65
26789.89	5400.80	0.00	0.00	32190.69	890.00	730.00	1620.00	30570.69	19.87	3.33
5456.67	648.00	0.00	1142.00	7246.67	0.00	5300.00	5300.00	1946.67	1.37	0.34
54600.60	65000.0	453.00	6330.00	126383.60	7500.0	23432.00	30932.00	95451.60	4.09	2.32
600.61	70.00	0.00	245.43	916.04	0.00	1202.06	1202.06	(286.02)	0.76	0.26
784600.6	63582.0	0.00	455.90	848638.50	0.00	95600.00	95600.00	753038.50	8.88	0.67
84695.60	768.00	0.00	980.00	86443.60	0.00	8567.80	8567.80	77875.80	10.09	0.20
68750.00	1984.78	600.00	43423.45	114758.23	0.00	340000.00	340000.00	(225241.77)	0.34	0.14
67490.60	5469.70	564.67	8300.00	81824.97	4060.82	4534.00	8594.82	73230.15	9.52	1.67
9540.00	76500.0	2208.0	2547.06	90795.06	0.00	5600.67	5600.67	85194.39	16.21	14.51
8545.65	7054.00	5674.0	980.00	22253.65	0.00	9565.80	9565.80	12687.85	2.33	1.43
7600.00	7000.00	5880.0	494.00	20974.00	0.00	7600.00	7600.00	13374.00	2.76	1.76
729000.20	98422.3	0.00	46786.62	874209.12	0.00	3055.58	3055.58	871153.54	286.10	47.52
36900.00	97582.93	9858.70	40564.00	184905.63	1800.65	3444000.78	3445801.43	(3260895.80)	0.05	0.04
7078.64	27689.62	900.00	2300.40	37968.66	6400.60	837342.04	843742.64	(805773.98)	0.05	0.04
9434.60	12950.00	678.98	89500.20	112563.78	0.00	465003.34	465003.34	(352439.56)	0.24	0.22
504.78	7612.90	5406.00	290.99	13814.67	0.00	74521.23	74521.23	(60706.56)	0.19	0.18
75596.50	543.30	790.70	24400.40	101330.90	900.50	647.40	1547.90	99783.00	65.46	16.63
98000.67	60000.00	2020.60	4500.78	164522.05	97.00	68000.76	68097.76	96424.29	2.42	0.98
48569.05	675.00	0.00	12800.00	62044.05	5604.00	245276.00	250880.00	(188835.95)	0.25	0.05
							Average	(101367.96)	15.03	3.37

Appendix 2   Liquidity Positions of Existing SMEs

1	2	3	4	5=1+2+3+4	6	7	8=6+7	9=5-8	10=5/8	11=(5-1)/8
S	TD	STI	CBB	CA	BO	TC	CL	WC	CR	ATR
78000.00	2311.19	0.00	12032.24	92343.43	4000.00	30000.50	34000.50	58342.93	2.72	0.42
9030.65	3000.02	3400.00	4583.00	20013.67	5600.80	23333.45	28934.25	(8920.58)	0.69	0.38
840000.00	2901.19	0.00	23003.80	865904.99	6960.20	2770003.0	2776963.2	(1911058.2)	0.31	0.01
543000.00	45000.00	1000.60	1925.30	590925.90	10010.30	1700.56	11710.86	579215.04	50.46	4.09
44600.00	900021.00	780.50	26004.68	971406.18	0.00	253683.36	253683.36	717722.82	3.83	3.65
8000.00	821600.00	689.00	2402.60	832691.60	0.00	2342.30	2342.30	830349.30	355.50	352.09
367849.39	60042.30	0.00	25430.32	453322.01	5600.80	70000.00	75600.80	377721.21	6.00	1.13
74900.40	81100.00	5623.90	9400.50	171024.80	0.00	130294.32	130294.32	40730.48	1.31	0.74
68783.00	7625.00	0.00	40460.60	116868.60	1100.00	730070.43	731170.43	(614301.83)	0.16	0.07
5300.02	4689.34	54397.67	6400.43	70787.46	4000.00	265788.54	269788.54	(199001.08)	0.26	0.24
65390.00	9585.00	67.00	34659.00	109701.00	5400.00	5575.00	10975.00	98726.00	10.00	4.04
700345.43	453.00	573.00	46006.00	747377.43	0.00	48455.80	48455.80	698921.63	15.42	0.97
540045.50	7900.00	6874.00	24567.00	579386.50	11203.05	3455.00	14658.05	564728.45	39.53	2.68
679999.54	35645.95	690.60	5700.00	722036.09	0.00	456300.40	456300.40	265735.69	1.58	0.09
3540.68	36000.00	0.00	120.98	39661.66	0.00	565.00	565.00	39096.66	70.20	63.93
637794.97	65900.50	960.68	50993.40	755649.55	0.00	34523.83	34523.83	721125.72	21.89	3.41
987000.87	5460.68	760.00	564.67	993786.22	23050.40	67598.00	90648.40	903137.82	10.96	0.07
97846.76	36674.70	0.00	26500.70	161022.16	0.00	34322.00	34322.00	126700.16	4.69	1.84
432563.73	6530.60	0.00	5923.40	445017.73	0.00	473234.03	473234.03	(28216.30)	0.94	0.03
3434.60	45.00	0.00	830.32	4309.92	0.00	2354.40	2354.40	1955.52	1.83	0.37
98776.56	9543.90	560.00	2453.00	111333.46	0.00	24453.32	24453.32	86880.14	4.55	0.51
45008.00	652.60	0.00	9380.00	55040.60	564.00	7300.20	7864.20	47176.40	7.00	1.28
55849.00	67583.45	988.53	450.26	124871.24	4984.00	3726.80	8710.80	116160.44	14.34	7.92
98600.60	5600.70	0.00	3279.04	107480.34	0.00	12395.90	12395.90	95084.44	8.67	0.72
90903.00	0.00	0.00	6200.80	97103.80	5710.69	19500.00	25210.69	71893.11	3.85	0.25
85895.00	6744.45	78.00	6708.00	99425.45	0.00	10705.00	10705.00	88720.45	9.29	1.26

68979.56	86300.00	0.00	7200.00	162479.56	0.00	5270.07	5270.07	**157209.49**	**30.83**	**17.74**
98000.89	67000.30	5647.56	34500.00	205148.75	0.00	45484.67	45484.67	**159664.08**	**4.51**	**2.36**
89300.87	63000.30	1000.00	1000.00	154301.17	0.00	5654.00	5654.00	**148647.17**	**27.29**	**11.50**
97564.79	63742.00	670.00	80000.00	241976.79	0.00	50000.80	50000.80	**191975.99**	**4.84**	**2.89**
57484.68	89700.00	0.00	6759.00	153943.68	0.00	5600.70	5600.70	**148342.98**	**27.49**	**17.22**
50006.68	98580.78	5000.00	7850.00	161437.46	0.00	56599.00	56599.00	**104838.46**	**2.85**	**1.97**
896.00	56.94	0.00	0.00	952.94	0.00	947.00	947.00	**5.94**	**1.01**	**0.06**
7857.98	56487.80	56000.00	567.00	120912.78	0.00	8845.00	8845.00	**112067.78**	**13.67**	**12.78**
9500.00	75800.00	67.00	1687.00	87054.00	0.00	57600.00	57600.00	**29454.00**	**1.51**	**1.35**
6540.76	8781.00	897.67	50807.85	67027.28	0.00	46500.56	46500.56	**20526.72**	**1.44**	**1.30**
3749.60	67.00	80.00	53000.30	56896.90	0.00	43300.69	43300.69	**13596.21**	**1.31**	**1.23**
7000.60	79000.00	4560.80	9650.87	100212.27	0.00	56546.08	56546.08	**43666.19**	**1.77**	**1.65**
1005.00	7856.70	0.00	5960.00	14821.70	0.00	769070.00	769070.00	**(754248.30)**	**0.02**	**0.02**
6594.00	7687.00	675.00	9820.11	24776.11	0.00	87206.00	87206.00	**(62429.89)**	**0.28**	**0.21**
							Average	**102048.58**	**19.12**	**13.11**

Lists of Abbreviations

AATR	Average Acid Test Ratio
ACR	Average Current Ratio
ATR	Acid Test Ratio
BO	Bank Overdraft
CA	Current Assets
CBB	Cash and Bank Balances
CIC	Cambridge International College
CL	Current Liabilities
CR	Current Ratio
GDP	Gross Domestic Product
GNPC	Ghana Investment Promotion Council
GoG	Government of Ghana
GSS	Ghana Statistical Service
ISSER	Institute of Social, Statistical and Economic Research
LA	Liquid Assets
MASLOC	Microfinance and Small Loans centre
NGOs	Non-Governmental Organizations
S	Stocks
SMEs	Small and Medium-Scale Enterprises
STI	Short Term Investment
TC	Trade Creditors
TD	Trade Debtors
WC	Working Capital