FACTORS AFFECTING THE PROFITABILITY OF SMALL SCALE ENTERPRISES IN NGARA MARKET: A CASE STUDY OF NAIROBI COUNTY

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DECLARATION

I Purity Moraa Mogambi hereby declare that this research project proposal is my original work, and it has not in part or whole been submitted elsewhere for a diploma, degree or in any institution of higher learning for examination purposes.

Purity Moraa Mogambi

L123/28908/2012

(Sign) (Date)

Declaration of the Supervisor

This research project has been submitted for examination with my approval as the project supervisor.

SUPERVISOR

DR. DISMUS M. BULINDA

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ABSTRACT

This study intended to investigate the factors affecting the profitability of small scale enterprises in Ngara market. This was elicited by the observation that many small scale enterprises experience low returns as a result of various factors. It outlines the questions and objectives of the study to elicit understanding of factors affecting profitability of the SSEs.

The specific objectives of the study were; to find out the effects of training on the profitability of SSEs in Ngara Market, to find out the effects of technology on the profitability of SSEs Ngara Market and finally to find out the effects of competition on the profitability of the SSEs Ngara Market.

This study adopted a descriptive design since it involves an in-depth collection and analysis of data to determine the performance of SSEs. The researcher used stratified random sampling method as it caters for different categories of businesses in Ngara market and simple random sampling as the sample procedure. Chapter four has presented the data analysis and interpretation using tables for easy understanding. Both the qualitative and quantitative data analysis methods were used.

The findings revealed that profitability of SSEs has been challenged due to lack of the trained entrepreneurs, competition and level of technology. The researcher recommended that the entrepreneurs should strive to equip themselves with such skills and knowledge to help run their business successfully. That the SSE entrepreneurs should locate their business in strategic locations easily accessible by the customers owing to the fact that competition is tough.