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IMPACT OF CREDIT FACILITIES ON PERFORMANCE OF SMEs IN JALINGO METROPOLIS

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Abstract

This study examined the impact of credit facilities to the performance of small and medium enterprises in Jalingo metropolis. The study focusses on assessing how trade credit, bank credit and bank overdraft affects the financial performance of SMEs. The study hinged on the growth theory in explaining the concepts. The survey design was adopted for the study with the use of the questionnaire instrument issued to 196 SMEs randomly sampled out of 387 registered SMEs with corporate affairs commission. Cronbach alpha was used to test the reliability of the instrument. The data was represented using frequency and simple percentage. Robust test was carried out on the data after which multiple regression was conducted to test the impact of the predictors on the dependent variable with the use of SPSS 25. The findings of the study revealed that trade credit has no significant impact on performance of SMEs in Jalingo metropolis with a negative (coefficient -.016) and significance of .73. Bank credit showed a positive and significant impact on financial performance of SMEs in Jalingo with a coefficient of 0.034 and significance of .023. Overdraft has a significant impact on performance of SMEs in Jalingo metropolis. It shows a positive coefficient of 0.949 and significance of .000. The study recommends among others that suppliers of trade credit should visit SMEs by way of monitoring and creating awareness for granting credit and they should ensure that the purpose of trade credit granted is utilized accordingly.

Keywords: Credit facilities, performance, SMEs, Jalingo

1.1 Background to the study

Small- and medium-sized entities constitute a vast section of the private sector in the majority of developed and developing. Small and Medium scale Enterprises (SMEs) can best be described through their capital base, scope and cost of projects, annual turnover, financial strength and number of employees amongst other things. They out number large firms considerably, employ vast numbers of people and are generally entrepreneurial in nature, helping to shape innovation Some of the business groups that fall under the scope of medium scale industry include soap production, hair/body cream production, chemical production, commercial poultry, and professional practices such as law, accounting and education. Others are the food and beverage sector (Ikechi & Anthony, 2021). Small and Medium Enterprises (SMEs) covers a wide range of definitions and measures, varying from country to country and between the sources reporting SME statistics. Although there is no universally agreed definition of SMEs, the commonly used criteria are the number of employees, value of assets, value of sales and size of capital (Bataa, 2008). Government and other stakeholders in Nigeria have focused on SMEs by formulating policies aimed at enhancing the performance and growth of the sector (Ibrahim, 2017).

Finance or credit is an essential input used in production as well as an enabler of the efficiency of other production inputs. Credit is considered as very vital in every sphere of business.

Trade credit usually involves short-term delayed payment of purchases of intermediate goods. Trade credit is defined as holding of payment permitted by the creditor or supplier of raw materials, against the goods purchased. Comparing trade credit with loans, trade credit is usually not subjected to formal contracts between the borrower and the lender (Cuñat & Garcia- Appendini, 2012; Oluwabunmi & Abiola, 2021).

Bank credit refers to the amount of credit available to a business or individual from a banking institution in the form of loans. It captures borrowings from other financial institutions. Short term bank loan debt finance has been viewed as an important source to business finance and it has contributed to the growth and impacted positively SMEs performance (Eniola & Entebang, 2015).

1.2 Statement of the Problem

The problem of access to credit by SMEs is a major issue that should be resolved considering the role of SMEs in the development of any economy. Previous studies have shown that Nigerian government have intervened in the provision and accessibility of credit to the sector by putting in place policies towards the establishment of several financial institutions and credit schemes/programmes aimed at enhancing their performance. Despite all these, SMEs in Jalingo are still faced with numerous challenges of which access to credit constitute a major constrain. Credit when granted are mostly on short term bases and usually too small (insufficient) to cover their working capital requirements talk more of expansion or diversification into new innovative areas (Sanni, Oke & Alayande, 2020).

1.4 Objectives of the Study

The main objective of this study is to examine the impact of credit facilities and performance of SMEs operating in Jalingo and to achieve the following specific objectives;

i. To examine the impact of trade credit facility on performance of SMEs in Jalingo Metropolitan.
ii. To examine the impact of bank credit facility on performance of SMEs in Jalingo metropolitan.
iii. To examine the impact of bank overdraft facility on performance of SMEs operating in Jalingo.

2.2.1 The Concept of SMEs

SMEs in Nigeria are seen as the backbone of the economy and a key source of economic growth, dynamism and flexibility. Indeed, there appears to be an agreement that the development of SMEs in Nigeria is a step towards building a vibrant and diversified economy. According to the Federal Ministry of Commerce and Industry, SMEs are defined as firms with a total investment (excluding cost of land but including capital) of up to N750, 000, and paid employment of up to fifty (50) persons. Small and Medium Enterprises Development Agency of Nigeria (SMEDAN) (2015) defines Small Enterprise as one which total assets (excluding land and building) is more than 10 million naira but less than 100 million naira with total workforce of more than 10 employees but less than 50. Whereas a firm with total workforce of 50 and 199 employees with total assets (excluding land and building) of more than 100 million but not exceeding 1 billion is categorized as a medium enterprise (Sanni et al., 2020).

2.2.2 The Concept of Credit Financing

Accessing to finance is a major factor affecting the growth and success of SMEs. The adequate access to financing is critical to enable SMEs to contribute to the economic development of the nation (Hasnah, Saniza, Jayaraman, & Ishaka, 2013). Credit financing involves the procurement of interest-bearing instruments, secured by asset-based collateral and have term structures (Nderitu & Githinji, 2015). The structure could be long-term, short-term or trade credit. To finance working capital, most SMEs rely on internal financing, and or short-term credit from suppliers, and or specialized financial products like factoring. In case of capital expenditures, which normally represent larger amounts than working capital needs, SMEs rely on internal financing, often involving fresh capital injections from shareholders (World Bank, 2014). Long-term funds are not suitable for short-term projects as they burden the firm with costs of servicing unnecessary debt. Similarly, short-term debts are not appropriate for financing long-term projects since the loan may have to be repaid before the end of the project (Eton, Mwosi, Mutesigensi & Ebong, 2017).

2.2.3 Credit management

Credit management is one of the most vital activities in any company and cannot be neglected by any entity involved in the supply of credit lines no matter the nature of its business. It is the mechanism to ensure that customers will pay for the products delivered or the services rendered. Myers and Brealey (2003) consider it to be made up of techniques and strategies used by an enterprise to ensure that an optimal level of credit and its effective management are kept.

The last variable looks at the level of expenditure that can be permitted in the recovering of debts. The inference here is that the microfinance institution should not give out credit where the cost to be spent on retrieving the obligation will probably surpass the obligation itself. To mix these variables into a proficient workable framework obliges the establishment of a watchful arrangement, controlling and coordination of all accessible human and material assets Van Horne (2007).

2.2.4 Credit Culture

According to Kamath et al (2010) credit culture can be defined as a financial institution's approach to all issues correlated to the administration of credit risk. He continued by stating that if it is to attain a healthy credit risk portfolio, it must be synchronized with the strategic direction and organizational culture of the financial institution. The culture must have the capacity to deliver the service required by the institution to meet the needs of its clients in a timely manner. It can only do this if it is in harmony with the overall strategic direction of the financial institution and is pioneered by the top echelon of the financial institution. Because the credit culture ought to maintain a balance between assuming new risks and imposing limits on the amount of risk at the same time, it is bound to run into all of kinds of resistance. Top management is the only source that can ensure that the culture not only supports appropriate credit standards, but is also profitable enough not to cause the financial institution to lose out on good business.

2.2.5 The Loan System

Before endorsing any credit facility, it befits the financial institution to ensure that the debtor has a practical and viable proposal. However, the marketability of a loan proposition does not depend all together on the quantum of collateral provided by the borrower. The financial intermediary needs to establish the amount of credit risk latent in the credit proposal and within the boundaries of that risk, a decision has to be made whether to accept or reject the proposal. An effective credit management system provides the right framework for such decisions to be made Puri and Poli (2013).

2.2.6 Principles of lending

Gaurav (2010) pinpointed certain criteria which are universally adhered to by most financial institutions in appraising credit propositions as follows:
The banker must guarantee that the amount granted by him reaches the legitimate debtor and is appropriated in a manner that will make it secure at the time of giving as well as remain so throughout the period, and subsequent to fulfilling a valuable need in the business where it is utilized, is reimbursed with premium.

2.2.7 SMEs Performance

Measuring SMEs performance is an essential element in ensuring a firm's growth and survival, likewise identifying its strengths and weakness (Bandar, 2016). Performance refers to ability of an organization to achieve high profit, quality product, large market share, good financial results and survival at a pre-determined time (Zhiri, 2017). Apolot (2012) viewed performance in relation to sales growth, customer satisfaction and profitability. However, a large number of studies measure performance with efficiency and financial result. Hence, SME performance can be measured using either financial or non-financial assets. SMEs in Nigeria have not performed to expectation in terms of meaningful contribution to the nation's gross domestic product (GDP). Gbandi and Amissah (2014) asserted that SMEs in Nigeria have underperformed in spite of the fact that they constitute more than ninety percent of Nigerian businesses, their contribution to GDP is below expectation contributing only about one percent to GDP.

2.2.8 Trade Credit and SMEs Performance

Access to credit remains a constraint to SMEs as regards to working capital. SMEs have limited access to capital markets, locally and internationally, in part because of the perception of higher risk, informational barriers, and the higher costs of intermediation (Kofi, Tanyeh, & Gaeten, 2013), which constrains growth and competitiveness (Agbazo & Omane, 2012). Studies on SMEs have pointed out that access to credit is an impediment to SMEs' contribution as engine to national economic development (Onyimba & Muturi, 2016); (Kofi et al, 2013); (Rodica, 2012); (Organization for Economic Co-operation and Development, 2013). Credit to SMEs has caused trauma and self-pity an unfulfillment perpetuating a vicious cycle of financial problems to majority borrowers.

Enterprises that face credit contagion from the banks may approach their supplier for short-term financing, by which they can overcome financial difficulties (Coulibaly et al., 2013). However, firms with bank finance may use less trade credit from their suppliers, as they have a loan from the bank (Slavec, 2014). Hence, bank credit and trade credit can be considered each other's substitutes. On the other hand, research shows that firms that use trade credit may have more access to bank finance, and thus trade credit can be considered a complement to bank finance (Demirguc-Kant & Maksimovic, 2001; Love et al., 2007; Yang, 2011).

2.2.10 Overdraft and SMEs Performance

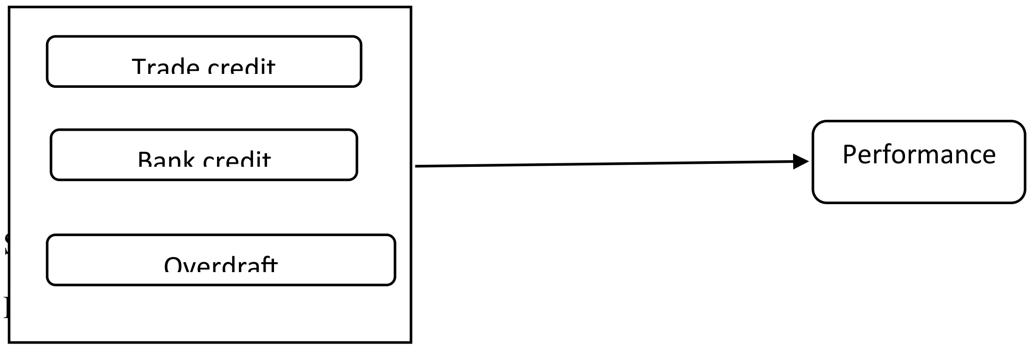
When a firm has grown to a size where the use of short-term finance is maximized, but the firm is not big enough to access capital-market funds. By contrast, in developing countries it is probable that such a finance gap arises at even earlier stages of the enterprise's lifecycle (Céspedes et al., 2010). Access to finance is associated with the ability of an enterprises to obtain financial services such as an overdraft as another way of financing small and medium enterprises and ideal to those with fluctuating finance requirement (Demirguc-Kunt et al., 2018). And also acknowledged as an important factor in promoting firm sustainability and growth through financing. From a theoretical viewpoint, it is argued that firms can finance their operations and growth in many different ways.

Short-term loans and working capital financing in the context of trade can enable engagement in exports by providing liquidity needed in the pre-shipment period to produce goods and services to be exported. While SMEs could also use access to short-terms loans and facilities that are not directly dedicated to trade finance for this purpose, there are dedicated export working capital facilities provided by many commercial banks (U.S. Department of Commerce, 2016). While such short-term instruments can address liquidity issues, they are not tailored to specific economic transactions (OECD 2021).

2.2.11 Conceptual Framework

Based on reviewed literature, a model will therefore be suitable to guide the study.

Independent variables Dependent variables



2.3 Empirical Review

Ikechi and Anthony (2021) studied Commercial Bank Loans and the Performance of Small and Medium Scale Enterprises (SMEs) In Nigeria. Ex-post facto research design was adopted in the investigation; a least square regression analysis was carried out on a time-series data to ascertain relationships, and to avert the emergence of spurious results, unit root tests were conducted. The finding of the study indicates that, there exists an inverse relationship (though not statistically significant) between the amount of commercial bank loans (CBLSME) made available to SMEs and the output of SMEs (OPSME) in Nigeria This implies that as CBLSME increases, OPSME decreases. A gap exists in the above study because it considers bank loan facility only and secondary data was used for the study. The present study considers bank loan facility and overdraft facility provision of financial institutions and further used firsthand information through a survey design with the aid of a questionnaire instrument.

Moussa (2020) studied the impact of microfinance loans on the performance of SMEs: the case of Lebanon. Secondary data were collected from 17 SMEs in North Lebanon. Another secondary data was collected from four MFIs in Lebanon concerning the characteristics of their beneficiaries. Data were analyzed using SPSS Ver. 23. The results showed notable relationships between amount of micro loan and SMEs performance in Lebanon. The above study used secondary data and only studied loans from microfinance banks to SMEs. The study was carried out in North Lebanon. This limits the generalization of the findings as the economic condition of Taraba state differs.

Sanni, Oke and Alayande (2020) investigated bank credit accessibility and performance of SMEs in Kwara state, Nigeria: a pls-sem analysis. The population of the study consists of three hundred and eighty-two (382) respondents and one hundred and ninety-eight (198) were randomly selected as the sample size of the study. Data were drawn from the primary source to elicit responses from SME owners/managers. Descriptive statistics and Partial least square - Structural Equation Model

(PLS-SEM) estimation techniques were employed to analyze the data collected. The study revealed that deposit money banks credit accessibility has a positive significant effect on SME performance. Sanni et al study was carried out in Kwara state while the present study is carried out in Taraba state.

Mbuva (2019) examined effect of access to finance on financial performance of processing SMEs in Kitui county, Kenya. Descriptive research design was applied to conduct the study. The target population was the 25 processing SMEs in Kitui County where for each firm; the Chief Executive Officer, the finance manager and the Chief accountant were considered as respondents giving rise to a total of 75 respondents. An interview and Semi- structured questionnaires were used to collect primary data from the respondents. The data was inspected for completeness, accuracy, reliability and consistency then analyzed using SPSS Version 20 Software. Descriptive statistics such as mean, and the standard deviation were computed to describe the data collected. Moreover, inferential statistics at 95% confidence level were used. The findings of the study indicated that financial performance positively correlated with the access to finance. The findings were supported by the literature reviewed by the study. The study sampled just 75 respondents only restricted to processing SMEs in Kitui, Kenya. Though using a questionnaire instrument like the present study, the finding might not be applied to Taraba which is the location of the present study.

Ajayi (2019) examined the effects of choice of credit facilities on the financial performance of SMEs in Nigeria while the specific objectives are to establish the influence of interest rate on loan and service on performance of registered SMEs in Ekiti State; investigate the influence of trade credits on performance of registered SMEs in Ekiti and examine the effect of asset financing on performance of registered SMEs in Ekiti State. The population of the study comprised 1704 SMEs operators from 16 local government areas in Ekiti State Nigeria. The stratified sampling technique was used to select the sample size from the captive population. The total sample size is 324 SMEs. This is the minimum to go to field with. 10% of 324were added to the sample size, summing up to give 356 because of non-response rate. To achieve the set objectives and hypotheses, both descriptive and inferential statistics were employed. In the descriptive analysis, the use of percentages comes to bare; more importantly in the areas of frequency of respondents to their views on the questions of research instrument. In specific terms, to achieve the objectives ANCOVA analysis were adopted. The finding revealed that interest loan and performance between the groups revealed that a statistically significant main effect.

2.4 Theoretical Framework

2.4.1 Growth theory

The connection that exists between finance and economic growth was first reported by Schumpeter (1911) and this has been contented in both the developed and developing countries. He asserted that a well-functioning financial sector is necessary to induce growth in the real sector which consequently leads to economic growth. The finance led growth theory holds that activities of the financial institutions serve as a useful tool for increasing the productive capacity of the economy.

Several researchers thereafter (McKinnon, 1973; Shaw, 1973; Fry, 1988; King & Levine, 1993) have upheld the above theory about the significance of banks credit to the advancement of the economy.

2.4.2 Micro Credit Theory

The micro credit theory has been derived from the economic theory that forms the foundation of the credit business in non-communist society (Ngugi & Kerongo, 2014). The Micro Credit Theory was first conceived by Adam Smith (1937) in the eighteenth century that self-seeking individuals are always eager to employ their labour, capital and skills to their best interests, which eventually add up to the benefit of the entire society due to the work of the „invisible hand‟. Smith‟s micro credit theory was later popularized by Karl Marx who went ahead to describe the principle of material prosperity of the non-communist society. Yunus (1994) advanced on the Micro Credit Theory and came out with the psychological component of the theory known as "the social consciousness driven capitalism". The theory argues that species of profit-making private venture can be conceived that cares about the welfare of its customers. Theoretical underpinnings are necessary to explain concept. This study hinged on the growth theory and reviewed few other theories related to this study.

2.5 Literature Gap

Extant literatures have appraised the relationship between credit facilities and SMEs in developed and developing countries. Great volume of studies has dwelled on the growth of SMEs, this is also applicable to Africa and Nigeria in particular. In Nigeria studies have captured SMEs performance as affected by assess to credit facilities but not extensively. Short-term facilities like overdraft has not been broadly studied in the Nigerian context and specifically in Taraba state. In light of this, this study sets out to appraised the impact of credit facilities on performance of SMEs in Jalingo metropolis. Concentration will be given to credit facilities like trade credit which are not from financial institutions. But form a vital facility to SMEs which are into trading with the purpose of increasing its stocks and profit being made at the end of trading activities.

Methodology

3.1 Method of Data Analysis

The information being referred to here is the information that enabled the study to test the research hypotheses. The statistical tool of frequency table, percentage, mean and standard deviation will be used to present and analyze data collected and the research hypotheses will be tested using linear regression.

The reasons for using regression method are: firstly, almost all variables in the present study are measured by interval/ratio scales; secondly, if the sample size is sufficient, regression is undoubtedly a more powerful way to test the relationship between two or more variables than other statistical methods like non-parametric tests. Tables showing frequency and percentages was also use to summarize the result obtained with the help of the SPSS 25.

3.2 Model Specification

In order to find the determinants of performance of listed food and beverages firms in Nigeria, the study considered a linear regression model. This equation is hereby formulated to test the hypotheses in order to get the multiple regression results.

P = f (Cr)

The functional equation can be expressed into mathematical form as:

Where, $Perf = \alpha + \beta_1 TC + \beta_2 BC + \beta_3 OD + \varepsilon$

Variables Definition

Perf= Performance

TC= Trade credit

BC= Bank credit

OD= Overdraft

β_0 = constant/intercept

ε = stochastic error term

Results and Discussions

4.1 Descriptive Statistics

The broad statistical description of the variables employed in the current investigation is examined in this section. Each variable's mean and standard deviation were calculated. According to Tabachnick and Fidell (2007), descriptive statistics are used to describe samples of subjects in terms of variable variation or combination. Similarly, effective descriptive statistics allow you to make sense of data by condensing a huge number of measurements into a few summary measures that give you a good, general idea of the original measurements.

Table 4.1

Descriptive statistics

Variables	Mean	Std. Dev.	Min.	Max.
Perf	4.02	0.821	1.00	5.00
TC	3.96	0.620	1.00	4.00

BC	4.07	0.814	1.00	5.00
OD	3.86	0.794	1.00	5.00

Note: Perf=Performance; TC=Trade credit; BC=Bank credit; OD=Overdraft

Based on the descriptive statistics analysis presented in Table 4.1, it can be deduced that the mean for SMEs financial performance (Perf) is 4.02 within the responses of the SMEs operators as regards it performance due to credit facilities assessed. Perf showed a minimum response of 1.00 and a maximum of 5.00 while .821 is the standard deviation. The result indicates a narrow deviation between the responses from the sampled SMEs.

The explanatory variable trade credit showed a mean value 3.96, a minimum value 1.00 and a maximum value 4.00 while the standard deviation revealed .620. This portrays a narrow variation between the opinions of the SMEs operators to assess and the effect of trade credit on the financial performance of SMEs. Bank credit revealed a mean 4.07, a minimum value 1.00 and a maximum 5.00 while .814 is the standard deviation. This explains that effect of bank credit on SMEs performance had a narrow variation between the operators' responses. In consideration of overdraft variable, the mean value showed 3.86, minimum value 1.00 and a maximum 5.00, while the standard deviation revealed .794. This indicates a narrow deviation in the responses of the responses as to assess to overdraft from financial institutions and its effect on the financial performance of the SMEs.

4.2 Correlation Analysis

Table 4.2 Correlations Matrix

	Perf	TC	BC	OD
Perf	1			
TC	-.113	1		
BC	.050	.703**	1	
OD	.642**	.209*	.213*	1

Source: SPSS 25

Table 4.2 depicts the result of the Pearson correlation of the variables for this study. The correlation analysis shows that TC and BC (0.703) have a strong and positive correlation, TC and OD (0.209) depict a positive and weak correlation, BC and OD (0.213) showed a positive but weak correlation. This explains that the level of correlation between and among all the independent variables is of harmless effect.

4.3 Regression result

This section presents and discusses the regression results of the study.

Table 4.3: regression result

Variables	Coefficients	T	Sig.

Constant	.163	1.349	.179
Bank credit	.034	.493	.023
Trade credit	-.016	-.339	.735
Overdraft	.949	25.382	.000
R-square	.514		
Adjusted R^2	.513		
F-Statistics	580.841		
Sig	.000		

Source: SPSS 25

a. Dependent variable: Performance

Table 4.3 indicates that the aggregate influence of the explanatory variables included in the model are able to explain the dependent variable up to 51.3% as indicated by the adjusted R square, while the remaining 48.7% are controlled by other factors that are not included in the model. The study findings further explain that the model applied is statistically fit. This is further proven from F statistics 538.841 which affirms that the overall model is statistically significant. This is further supported by the Sig. 0.000b<0.05. This indicates that the independent variables are good predictors of financial performance of SMEs in Taraba state reported at conventional probability of 0.05 significant level.

4.4 Discussion and Hypotheses

This section discusses the findings of this study in relation to theories and previous studies. More so, the discussion was also based on the research hypothesis stated in chapter one. Accordingly, the subheadings are arranged based on this research hypotheses.

Hypothesis one (H_{o1}) state that trade credit has no significant impact on performance of SMEs in Jalingo metropolis. It is formulated to examine the impact of trade credit on performance of SMEs in Jalingo metropolis. Based on the regression result, in table 4.10, the result shows a negative (coefficient -.016) and significance of .735. Therefore, we can establish that there is a negative and also insignificant relationship between trade credit and performance of SMEs in Jalingo metropolis confirming the results of Akinbobola and Obanuyi (2018) and Oluwabunmi et al (2021) but in contrast to Tang (2014) and Kpakiyai and Mugo (2015). Thus, the study accepts the null hypothesis which state that trade credit has no significant impact on performance of SMEs in Jalingo metropolis.

Based on the regression result in table 4.10, the result shows a positive and significant relationship between bank credit and financial performance of SMEs in Jalingo with a coefficient of 0.034 and significance of .023. Hence, we can establish that there is positive and significant relationship between bank credit and financial performance of SMEs. This validates previous studies done by Emecheta and Ibe (2014), Nwabuisi et al (2020) and Okoni and Nathan (2014) Thus, the study rejects the null hypothesis which state that bank credit has no significant impact on performance of SMEs in Jalingo metropolis.

Hypothesis one (H_{o3}) state overdraft has a significant impact on performance of SMEs in Jalingo metropolis. It is formulated to examine the impact of overdraft on performance of SMEs in Jalingo metropolis. Based on the regression result, in table 4.10, the result shows a positive coefficient of 0.949 and significance of .000. Therefore, we can establish that there is a positive and significant relationship between overdraft and performance of SMEs in Jalingo metropolis.

4.5 Summary of Hypotheses

Previous sections demonstrated all the results comprising all the results. Hence, this section summarizes all the findings. Accordingly, table 4.11 summarizes the results of all hypotheses tested and the decision taken in the present study.

Table 4.4

Hypothesis	Statement	Decision
H_{o1}	Trade credit has no significant impact on performance of SMEs in Jalingo	supported
H_{o2}	Bank credit has no significant impact on performance of SMEs in Jalingo	Not supported
H_{o3}	Overdraft has no significant impact on performance of SMEs in Jalingo	Not supported

Source: SPSS 25

5.1 Summary

The objective of this study is to examine the impact of credit facilities (trade credit, bank credit and overdraft) on the performance of SMEs in Jalingo metropolis. However, the study was divided into 5 chapters. Chapter one starts with the background to the study, Statement of research problem, the main objective of the study and from which the research question was drawn. It also captures the significance of the study and scope of the study. Chapter two present literature review of the study capturing the conceptual framework of credit facilities and performance. It also captures 2 theories (Growth theory and micro credit theory) and hence adopted growth theory as the underpinning theory of the study. Previous work relating to the study was review to give a clear picture of the study. Chapter three discusses the methodology used to carry out the study, the research design, the population of the study and also the sample size, sampling procedure and techniques. Furthermore, the study explained the source and method of data analysis, techniques for data analysis.

Chapter four discusses the data collected, presented, analyze and interpreted using tabular form, mean and standard deviation which is aimed at identifying the distribution of despondence to each question. Greater emphasis is placed on the questions that are directly related to this study and also regression method of data analysis was used to test the research hypotheses.

5.2 Conclusion

The first objectives focused on the impact between trade credit and performance. Accordingly, the findings from this study support a negative relationship between trade credit and performance. This relationship was negative and insignificant at 5 percent, implying that increase in trade credit will lead to an insignificant decrease in performance of SMEs in Jalingo metropolis. The finding support hypothesis H_{o1} conjectured in chapter one of this study.

The second objective relates to bank credit and performance. Accordingly, the regression analysis provides evidence of a positive relationship between bank credit and performance of SMEs in Jalingo metropolis. Hence, H_{o2} is not supported. This suggests that increased in the proportion of bank credit will lead to increase in the performance of SMEs in Jalingo metropolis.
The third objective focused on the impact of overdraft and performance. Overdraft was found to be positive and significant related to performance. The finding does not support hypothesis three of this study. Hence H_{o3} not supported, suggesting that increase in the proportion of overdraft will lead to increase in performance of SMEs in metropolis.

5.3 Recommendations

The study recommends the followings:

i. Suppliers of trade credit should visit SMEs by way of monitoring and creating awareness for granting credit in addition they should ensure that the purpose of trade credit granted is utilized accordingly.
ii. Bank should provide more loans at a reasonable rate to SMEs to enable them expand their business and also to finance part of their working capital.
iii. More so, there is need for banks to increase the amount SMEs can have access in case there is need to overdraw the account. This will avail the SMEs with more funds to run the day-to-day affairs of their businesses or to restock when they are out of stock.

5.4 Contributions

The study is also significant to the researcher's educational development. Firstly, the research provided the opportunity to learn how to conduct proper research. This will in turn have a great impact on the depth and quality of future studies to be conducted by the researcher. Secondly, the subject matter of the research itself provided the researcher with valued knowledge on credit facilities which will add to the researcher future career development.

5.5 Limitations

The present study objective is to examine the impact of credit facilities on the performance of SMEs in Jalingo metropolis with specific objectives underlying the studies scope. However, the study is limited to and suggests for future studies thus:

Firstly, the study samples only SMEs within Jalingo metropolis. Hence, the study recommends that more locations (LGAs) of Taraba state should be included in future studies so as to strengthen the present findings in order to generalize the result.

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