

The effect of financial literacy on the sustainability of SMMEs in South Africa Gauteng province

1. Research questionnaire

Dear Respondent I am currently doing Masters in Management Accounting at Cput and I am carrying a study on the effect of financial literacy on the sustainability of SMMEs in South Africa Gauteng province. I solicit your assistance to fill out this questionnaire, which is voluntary. Information you present will be treated with strict confidentiality and anonymity. The questionnaire will help to understand the exact effects of financial literacy on the sustainability of SMMEs. This questionnaire will take approximately 10 - 15 minutes to complete. Your co-operation will be highly appreciated. Please note that this questionnaire will be captured on question pro and will thus be in their format Yours sincerely Esona Ndila

2. Section A: General enterprise understanding

Instructions to the respondents:

Indicate your level of agreement with the following statements by ticking a cross(x) in an applicable box.

Please do not leave any item unanswered.

1. I am the sole owner of my enterprise

Yes No

2. My enterprise has a business plan?

Yes No

3. My enterprise has a separate address to that of my residential address?

Yes No

4. My enterprise has a separate bank account to my personal bank account.

Yes No

5. I keep records or tract of the spending (expenses) of my enterprise.

Yes No

6. I make use or have, in the past made use of the services of an accountant for the purposes of my enterprise.

Yes No

7. I am satisfied with my enterprise current financial status or position.

Yes No

3. Section B: What is the relationship between financial literacy and sustainability of SMMEs?

Choose the option that best reflects your opinion on the following.

8. Financial literacy is a knowledge resource that determines the sustainability of SMMEs.

- Strongly agree
- Agree
- Disagree
- Strongly disagree

9. Financial literacy plays a significant role in value creation process of SMMEs which leads to sustainability.

- Strongly agree
- Agree
- Disagree
- Strongly disagree

10. Financial literacy is positively related to SMMEs sustainability.

- Strongly agree
- Agree
- Disagree
- Strongly disagree

11. Financial literacy contributes to an organisations knowledge base.

- Strongly agree
- Agree
- Disagree
- Strongly disagree

12. There is a relationship between SMMEs financial literacy and sustainability.

- Strongly agree
- Agree
- Disagree
- Strongly disagree

4. Section C: What are the effects of financial literacy on the sustainability of SMMEs?

Choose the option that best reflects your opinion about the following :

13. Financial literacy has a direct positive effect on SMMEs sustainability.

- Strongly agree
- Agree
- Disagree
- Strongly disagree

14. Financial literacy enables SMMEs to access finance, which improves sustainability.

- Strongly agree
- Agree
- Disagree

Strongly disagree

15. Financial literacy has an indirect influence on SMMEs sustainability through access to finance.

Strongly agree

Agree

Disagree

Strongly disagree

16. Financial literacy positively affects SMMEs flexibility especially in making financial decisions.

Strongly agree

Agree

Disagree

Strongly disagree

5. Section D: What is the extent of financial literacy of SMMEs?

Please answer the following questions by ticking to the appropriate box.

17. Do you receive your monthly or run your monthly management packs or financials?

Yes

Maybe

No

18. Are you able to interpret your business statement of financial position and statement of comprehensive income on your management packs?

Yes

Maybe

No

19. Do you know the percentage of your business monthly sales that are on credit?

Yes

Maybe

No

20. Do you know which ratios tell you about your business going concern?

Yes Maybe No

21. Do you know that the current prime overdraft rate is 8.5%?

Yes Maybe No

22. Do you know that the current maximum (marginal) tax rate for individuals is 40%

Yes Maybe No

23. Do you know that the current inflation rate is between 9% and 11%

Yes Maybe No

24. Do you know that the monthly insurance premiums paid are examples of an expense that are variable?

Yes Maybe No

25. Financial planning should not be affected by inflation.

Yes Maybe No

26. I make use or have, in the past made use of the services of other professionals for the purpose of my enterprise (tax consultant, broker, etc).

Yes Maybe No

27. My enterprise has a separate bank account to my personal bank account.

Yes Maybe No

28. I have received training or advice in basic accounting in the past.

Yes

Maybe

No

6. Section E: Financial literacy needs of SMMEs.

Choose the option that best reflects your opinion about the importance of learning more about the following:

29. How taxation works.

Strongly agree

Agree

Disagree

Strongly disagree

30. Basic bookkeeping (accounting).

Strongly agree

Agree

Disagree

Strongly disagree

31. How to plan for the long term financial future of your enterprise.

Strongly agree

Agree

Disagree

Strongly disagree

32. The basics of the economy (inflation, interest, growth, etc)

Strongly agree

Agree

Disagree

Strongly disagree

33. Managing debt.

- Strongly agree
- Agree
- Disagree
- Strongly disagree

34. Managing enterprise cash flow.

- Strongly agree
- Agree
- Disagree
- Strongly disagree

35. Ways to reduce the spending within your enterprise.

- Strongly agree
- Agree
- Disagree
- Strongly disagree

7. Section F: Others

Please answer the following questions.

36. How often do you budget for the receipts(income) and spending (expenses) of your enterprise?

- Every day
- Once a week
- Once a month

37. What is your current greatest need with regards to your enterprise sustainability?

38. Do you think SMMEs are sustainable in your city or in the province?

39. Do you think your level of education affects your financial literacy?

8. Section G: Biographical information

Please indicate your response by ticking the applicable on the following:

40. Is your discipline accounting related?

- Yes No
-

41. Education attainment.

- Primary level
- Matric level
- College
- University

42. Number of years of operation.

- 1 to 5 years
- 6 to 10 years
- 11 to 15 years
- 16 to 20 years
- 21+ years

43. Number of employees.

- 1 to 5
- 6 to 10
- 11 to 15
- 16 to 20
- 20 +