

“The accounts payable management practices of small, medium and micro enterprises in the Cape Metropolis, South Africa”

AUTHORS	Samuel Tabot Enow Peter Kamala
ARTICLE INFO	Samuel Tabot Enow and Peter Kamala (2016). The accounts payable management practices of small, medium and micro enterprises in the Cape Metropolis, South Africa. <i>Investment Management and Financial Innovations</i> , 13(1), 77-83. doi: 10.21511/imfi.13(1).2016.07
DOI	http://dx.doi.org/10.21511/imfi.13(1).2016.07
RELEASED ON	Friday, 04 March 2016
JOURNAL	"Investment Management and Financial Innovations"
FOUNDER	LLC “Consulting Publishing Company “Business Perspectives”



NUMBER OF REFERENCES

0



NUMBER OF FIGURES

0



NUMBER OF TABLES

0

© The author(s) 2024. This publication is an open access article.

Samuel Tabot Enow (South Africa), Peter Kamala (South Africa)

The accounts payable management practices of small, medium and micro enterprises in the Cape Metropolis, South Africa

Abstract

The purpose of this article is to investigate the accounts payable management practices of small, medium and micro enterprises (SMMEs) in the Cape Metropolis. The study is motivated by a lack of research on payable management practices of SMMEs in South Africa. Data are collected from a sample of 200 SMMEs by means of a closed-ended questionnaire and analyzed using descriptive statistics and inferential statistics.

The findings of the study indicate that 70% of the sampled SMMEs purchase only on cash basis. Of the sampled SMMEs, 22% purchase on both cash and credit, while 8% purchase only on credit basis. Of those that purchase on credit, 72% pay their creditors promptly to take advantage of discount facilities. To manage their accounts payable, 52% of the SMMEs use computers. Only 43% settled accounts payable on the last day that the payment is due. The results further indicate that a lack of personnel and time are the main factors that inhibit the SMMEs from managing their accounts payable effectively. The above results suggest that SMMEs are inclined towards purchasing on cash or paying promptly when they purchase on credit, which could indicate that they had a lower bargaining power relative to that of suppliers who may have viewed these entities as risky ventures to which they were reluctant to extend credit terms.

Based on the above findings, this study recommends that the SMMEs decision-makers be educated on the competitive advantages gained by buying on credit, most important of which are improving cash flow and building supplier relationship. In addition, the decision-makers may be trained, perhaps through Government intervention, on how to overcome the factors that inhibit them from managing their accounts payable effectively, by using computers. The Government may also provide guarantees to SMMEs' suppliers to relax the credit terms extended to these entities.

This study makes several original contributions to literature. It is the first study to investigate the accounts payable management practices of SMMEs in the Cape Metropolis. Entities whose management of accounts payable had up till now been neglected appeared in the prior research to their peril. Secondly, this study provides a unique insight into SMMEs management of their liquidity by focusing on their management of most immediate obligations (accounts payable), which are critical for these entities' survival given their limited access to finance. The proposed study thus fills the gap in research on the accounts payable management practices employed by SMMEs in South Africa. Although various studies have been published on the accounts payable management practices on SMMEs in other countries, no study was found within the South African context. This study therefore contributes to the debate on the accounts payable management practices of SMMEs in a unique context of South Africa and inspires other researchers to investigate the same in other Metropolis in the country.

Keywords: payables, SMMEs, decision-makers, practices, Cape Metropolis.

JEL Classification: M1.

Introduction

Effective accounts payable management is important to SMMEs because it ensures that their payables contribute positively to cash flow and support mutually beneficial relationships with their suppliers (Bizfilings, 2015, p. 1). Concerning cash flow, effective accounts payable practices enable SMMEs to minimize late payment costs such as penalties, interest charges, lost prompt payment discounts, payment to creditors before collecting from debtors (Olivier & Esker, 2012, p. 1). An SMME with effective, streamlined accounts payable operations ultimately saves money by avoiding these costs, and minimising supplier invoices processing costs, all which improve cash flows (Deloitte, 2015, p. 1).

According to Mbroh and Attom (2012, p. 37), accounts payable are a major source of short-term financing for businesses provided that they delay payment as long as possible without damaging their credit rating or pay on the last day when payment is due to take advantage of cash discounts. Simply put, settling payables on the last day of payment enables businesses to re-invest the funds that would have been paid to suppliers into the business, thereby securing an interest-free source of finance, provided cash discounts are not forfeited (Taurigana & Afrifa, 2013, p. 454).

As far as supplier relationships are concerned, effective accounts payable management practices aid SMMEs in building trust with their suppliers (DBIS, 2013, p. 16). If an SMME honours its agreed upon terms of payment by paying its suppliers on time, as promised, it builds its trust and strong relationships with suppliers (Balch, 2014, p. 1). Strong relationships are vital as suppliers are not

only likely to extend better credit terms to an SMME they trust, they may also share ideas for new methods, products and customer service.

Managing accounts payable also effectively ensures that appropriate controls are in place to avoid errors such as duplicate payment, vendor fraud such as paying for goods not supplied, inefficient processes, late payment, all which do not only damage an SMME's reputation, but undermine its viability (Rico, 2014, p. 1). Having appropriate controls of accounts payable also assist an SMME in detecting fraudulent or inaccurate invoices, and ensuring that all vendor invoices are accounted for (Deloitte, 2015, p. 9). These ultimately ensure that the end year financial statements are complete and accurate.

How effectively accounts payables are managed by an SMME serves as a key indicator of its overall operational effectiveness (Kallikkat, 2013, p. 1). If the payables are too high, an SMME may soon have problems settling suppliers' invoices (Deloitte, 2015, p. 3). If the payables are too low, then an SMME may be unwisely settling suppliers' invoices early, thus foregoing the benefits of the allowed payment a period such as investing the cash into the business (Kallikkat, 2013, p. 1). The above could affect financial performance indicators such as days payable and current ratio of assets to liabilities, to the disadvantage of an SMME.

Notwithstanding the importance of effective accounts payable practices, a high failure rate of SMMEs in South Africa and the overwhelming research evidence from other countries that attribute failure of these entities to ineffective payables management practices (Sunday, 2011; Yiadom & Agyei, 2006), little research has been conducted on the practices in South Africa (Enow, 2015, p. 52). Accordingly little is known about how effectively the SMMEs in the country manage their accounts payable. It is therefore imperative that this gap be filled if the high failure rate of SMMEs in the country is to be averted. This study attempts to fill in the gap in knowledge on accounts payable practices of SMMEs by investigating the accounts payable practices of SMMEs in the Cape Metropolis of South Africa.

1. Literature review

As already alluded to, prior studies in other countries have partly attributed the high failure rate of SMMEs to ineffective payables management practices (Rico, 2014; Pietersen, 2012; Tuffour, Appiagyei, Gyasi, Anakye & Asante, 2012). Some of the studies have revealed that most SMMEs fail to take advantage of prompt payment discounts (Greenstreet, 2015, p. 1). Worse still some delay payment beyond the credit period granted, an aspect

that strains their supplier relationships (Mazzarol 2014, p. 1). This leads suppliers to demand cash on delivery, increased lead time, reluctance to rectify defects, slower response to queries or even higher charges to cater for the anticipated delays in payment (Deloitte, 2015, p. 3).

By contrast some studies have revealed that SMMEs do not take advantage of the credit terms availed by suppliers (Tuffour et al., 2012). Instead they tend to only buy on cash basis or settle invoices earlier than necessary, and do not negotiate the credit terms, approach that strains their cash flow position and limits their growth potential (Pietersen, 2012). Those that pay in advance to take advantage of discounts do so without calculating the cost/benefit of capital outlay (Deloitte, 2015, p. 4).

Yet other international studies have revealed that SMMEs do not maintain accurate accounts payable records (Amoako, 2013, p. 73). This does not only lead to delays in paying suppliers, it also leads to understatement of their liabilities as they are recorded in the wrong period (Rico, 2014, p. 11). As a result, suppliers become less inclined to grant credit to these entities, and their records become questionable, an aspect that impairs their creditworthiness and access to borrowings from financial institutions (Amoako, 2013, p.74).

Other studies have lamented that most SMMEs do not prioritize the management of their accounts payable given that this is regarded as part of a back-office function (Mazzarol, 2014, p. 2). Accordingly, these entities do not incorporate effective management of their payables as part of building their competitive advantage. This approach often results in a cash flow crisis, particularly as the SMMEs grow in size, which can subsequently result in their closure (Amoako, 2013, p. 75).

Some studies have also documented that SMMEs typically rely on error-prone manual processes with inadequate controls to approve requisitions, check supplier invoices and make payments (Singawaza, 2013, p. 2). Some of these entities even fail to issue purchase orders for each new order, fail to check whether order deliveries match contractual terms, incorrectly load supplier and/or contract information into master data files (Campbell & Hartcher, 2015, p. 9). Others lack processes and systems to prevent late payments, under- or over-payments, duplicate payments or missed payments (Deloitte, 2015, p. 4).

Despite the importance of SMMEs in South Africa's economy, no study could be found that specifically addresses accounts payable management practices of these entities (Enow, 2015, p. 52). Therefore there is a gap in knowledge on how these entities manage their payables in the country, which this

article attempts to fill by answering the question, “what are the current accounts payable management practices of SMMEs in the Cape Metropolis?”.

2. Methodology

2.1. Questionnaire design. The perceptions of the decision-makers of SMMEs that comprised owners, managers and accountants on the accounts payable management of their businesses were elicited using a questionnaire survey. A closed-ended questionnaire was designed that comprised twelve questions in three sections. The questionnaire which was in form of multiple-choice, yes/no and Likert scale questions was designed to be easy to answer, a strategy deployed to maximize the response rate by minimizing the time required to complete it, which ideally should have been 15 minutes. Prior to distributing the questionnaire, a pilot test was conducted whereby the questionnaire was completed and critically evaluated by ten academics with vast experience in questionnaire design and found to be clear, concise and understandable.

Bearing in mind that the main objective of this study is to determine the accounts payable management practices of SMMEs in the Fast Moving Consumer Goods (FMCG) sector, the study thus adopted a positivist paradigm which distinguishes the objective reality from the subjective bias of the researcher. Simply put, knowledge resulting from positivist research is deemed objective and quantifiable which renders the research to be quantitative in nature.

2.2. Population and sample selection. The population comprised owners, managers and accountants of SMMEs operating in the FMCG Sector in the Cape Metropolis as these were deemed to be the decision-makers of SMMEs that ought to be familiar with the accounts payable management practices of the entities. A target sample of 200 FMCG SMMEs was set given a lack of a comprehensive list of all SMMEs operating in the Cape Metropolis. To achieve this target, 270 respondents were approached. An accidental-sampling technique was employed to select the sample given that it advocates the drawing of a sample from the part of the population that is conveniently accessible to the researcher (Farook, 2013, p. 1).

2.3. Questionnaire distribution. On completion of the pilot test, the data collection process commenced with the identification of potential respondents. The researcher and the seven other trained researchers visited the premises of the potential respondents, explained the purpose of the study, the research methodology employed, and ethical considerations such as anonymity of respondents, confidentiality of

information divulged as well as the limited risk in participating in the research. The potential respondents were then requested to indicate their willingness to participate in the study. Where the potential respondents agreed to participate, the researcher administered the questionnaire by reading the questions to the respondents and recorded their responses by marking them with an “X” in the appropriate box of the questionnaire.

2.4. Response rate and test for non-response bias.

Out of the 270 respondents that were approached to participate in this survey, 220 agreed to participate in the survey. Thus 220 questionnaires were completed, 20 of which were found to be incomplete and were thus withdrawn from the sample. Therefore, out of the 270 potential respondents that were initially approached, only 200 completed usable questionnaires resulting in a response rate of 74.07%.

To minimize the effect of a non-response bias, different respondents that ranged from owners, managers and accountants, male and female, from different industries were approached and encouraged to participate in the survey. In addition, the profile of the respondents as well as that of their businesses was analyzed and found to indicate that respondents of different persuasions had answered the questionnaire (De Villiers & Van Staden, 2010). Furthermore, respondents were persuaded to participate in the survey using the face to face approach even if they had little interest in accounts payable management practices (De Villiers & Van Staden, 2010). Given the large number of respondents of 200, a high response rate and diverse respondents, the risk for non-response bias was minimized.

3. Results and discussions

3.1. Respondents’ personal and their business profile. The respondents were asked to provide information on their personal profiles relating to their position in the business, gender and accounting-education background. The purpose of this information was to ensure that the appropriate respondents had been selected to participate in the survey and also to ensure that respondents of different characteristics and persuasions participate in the survey in order to minimize non-response bias.

Of the respondents, 68% were owners, 22% were managers, 1% were accountants and 9% were supervisors (See Table 1). Given that 91% of the respondents were either owners or managers, it can be concluded that the appropriate respondents were selected to participate in the survey. Concerning the gender of the respondents, 68.5% were male while 31.5% were female.

With regard to the accounting-education background of the respondents, 48% did not have any accounting-education background whatsoever (See Table 1). Of the respondents, 21% had attended a short course in accounting, while 11% had attended accounting seminars. A similar percentage (11%) had a diploma in accounting, whereas 7% had a bachelor's degree. Only 2% had a master's degree in accounting. In short, the management of working capital was basically undertaken by decision-makers with limited-to-no formal accounting knowledge.

As far as how long the respondents' businesses have been operating is concerned, 52.5% of the respondents indicated that their SMMEs were two to five years old, while 26% indicated that their SMMEs were six to 10 years old; 14.5% indicated that their SMMEs were more than 10 years old, while only 7% indicated that their SMMEs were less than two years old (See Table 1). Given that SMMEs that are two years old or more are expected to have developed sound cash management practices, one would expect that the respondents' SMMEs should have developed these practices as 93% of them were at least two years old.

Regarding the number of employees, the findings indicate that 76.5% of the respondent's SMMEs had one to five employees, while 23.5% had six to 50 employees. In the South African context, the former can be classified as micro enterprises while the latter can be classified as small enterprises. Therefore this study focused only on the cash management practices of small and micro enterprises.

3.2. Accounts payable management practices of SMMEs. Respondents were asked to indicate by a way of a yes or no question whether their SMMEs purchase only on cash basis, purchase only on credit basis, take advantage of discount facilities by paying creditors promptly, settle accounts payable on the last day that the payment is due, use computers to manage accounts payable.

Table 1. Respondents' personal and their business profile

	Number of respondents	Percentage
Position in the business:		
Owner	136	68%
Manager	45	22%
Accountant	2	1%
Supervisor	17	9%
Total	200	100%
Gender:		
Male	137	68.5%
Female	63	31.5%
Total	200	100%
Accounting background:		
Seminars	22	11%

Short course	42	21%
Diploma	22	11%
Degree	14	7%
Masters	4	2%
None	95	48%
Total	200	100%
Age of the business:		
Less than 2 years	14	7%
2-5 years	105	52.5%
6-10 years	52	26%
More than 10 years	29	14.5%
Total	200	100%
Number of employees:		
1 to 5 employees	153	76.5%
6 to 50 employees	47	23.5%
Total	200	100%

3.2.1. Whether businesses purchase only on cash basis. As summarized in Table 2, 70% of the respondents indicated that their businesses purchased only on cash basis, while 30% indicated that their businesses did not do the same. A Binomial Test (2-tailed) conducted revealed a significant difference between the proportion of the respondents whose businesses purchased only on cash basis and those whose businesses did not ($p < 0.05$). Most of the sampled SMMEs therefore failed to take advantage of the low-cost source of finance in the form of accounts payable. The results of the current study are somewhat consistent with those of Tuffour et al. (2012) who found that most of small enterprises in Ghana bought their raw materials on cash basis, and thus failed to take advantage of the credit terms that were readily available.

3.2.2. Whether businesses purchase on credit. As shown in Table 2, 8% of the respondents indicated that their businesses purchase only on credit, while 92% indicated that their businesses did not do the same. A Binomial Test (2-tailed) conducted revealed a significant difference between the proportion of the respondents whose businesses only purchased on credit and those whose businesses did not ($p < 0.05$). By combining these responses to those of the preceding question, one can infer that 22% of the respondents' businesses purchased both for cash and on credit. The low percentage of SMMEs that purchased on credit could be attributed to a lack of track record that make suppliers reluctant to offer credit terms to these entities. The immediately-above results of the current study are also consistent with those of Tuffour et al. (2012) cited in the previous paragraph.

3.2.3. Whether businesses take advantage of discount facilities by paying creditors promptly. Those respondents who indicated that their businesses only purchase on credit were required to indicate whether or not their businesses took

advantage of discount facilities by paying their creditors promptly. As reported in Table 2, 72% of the respondents indicated that their businesses paid their creditors promptly to take advantage of discount facilities, but 28% of the respondents indicated that their businesses did not do so. A Binomial Test (2-tailed) conducted revealed a significant difference between the proportion of the respondents whose businesses took advantage of discount facilities by paying their creditors promptly and those who did not ($p < 0.05$). The immediately-above results of the current study are consistent with those of Pietersen (2012) who found that most of Ghanaian SMEs rarely negotiated with their creditors to extend their credit period.

3.2.4. Whether businesses settle accounts payable on the last day that the payment is due. The respondents who indicated that their businesses only purchase on credit were required to indicate whether or not their businesses settled accounts payable on the last day that the payment is due. As summarized in Table 2, 43% of the respondents indicated that their businesses settle accounts payable on the last day that the payment is due, but 57% indicated that their businesses did not do the same. A probable reason as to why most businesses did not pay on the last day due is because they sought to take advantage of cash discounts availed for prompt payment. A Binomial Test (2-tailed) conducted revealed a significant difference between the proportion that settle accounts payable on the last day that the payment and those that did not ($p < 0.05$). The above results are consistent with those of Pietersen (2012) and Tuffour et al. (2012) which found that most of Ghanaian SMEs did not preferred paying upfront and thus did not take advantage of credit terms availed by suppliers.

3.2.5. Whether businesses use computers to manage their accounts payable records. Those respondents who indicated that their businesses only purchase on credit were required to indicate whether or not their businesses used computers to manage their accounts payable records. As shown in Table 2, 52% of the respondents indicated that their businesses used computers to manage their payables records, while 48% of the respondents indicated that their businesses did not do so. The usage of computers by a majority of the sampled SMEs could be attributed to the fact that these entities buy from larger and more formal suppliers who expect their clients to have modern information systems to facilitate transactions. It further suggests that most SMEs had avoided the manual error-prone approaches, which in itself suggests that they used inbuilt controls that are availed by most computer packages. A Binomial Test (2-tailed) conducted revealed a significant

difference ($p < 0.05$) between the proportion that indicated that their businesses used computers to manage their payables records (52%) and those that did not (48%). The above results contrast those of Pietersen (2012) and Mensah-Agyei (2012) who found that most of Ghanaian SMEs used manual record-keeping methods to manage their accounts payable records. A possible explanation for the difference between the current study and the two prior studies could be due to the difference in the regions in which the studies were conducted. The current study was conducted in South Africa, which is considered to be the most advanced African economy, where computers are more commonly used as a tool of managing accounting records, unlike the case of the prior studies conducted in Ghana, which lags South Africa in technological advancement.

Table 2. Accounts payable management practices of SMMEs

	Yes	No	N	p-value
1. Purchase only on cash	70%	30%	200	0.00*
2. Purchase only on credit	8%	92%	200	0.00*
3. Take advantage of discount facilities by paying creditors promptly	72%	28%	60	0.00*
4. Settle accounts payable on the last day that the payment is due	43%	57%	60	0.00*
5. Use computers to manage accounts payable	52%	48%	60	0.00*

Note: * statistically significant differences ($p < 0.05$) at 95% confidence level.

3.3. Factors that inhibit SMMEs from managing their accounts payable effectively. Respondents were asked to indicate the extent to which they agreed with four statements on factors that inhibit SMMEs from managing their accounts payable effectively. These statements included a lack of skills, resources, adequate personnel and a lack of time to manage accounts payable. A five-point Likert scale was used with weightings of one for strongly disagree, two for disagree, three for neither agree nor disagree, four for agree and five for strongly agree. Thus the closer the mean was to five, the more respondents agreed with the statement.

For the sake of clarity, those who indicated that they either strongly agreed or agreed with the statements were grouped together and reported as “percentage that agree with the statement” as shown in Table 3. In addition, those who indicated neutral (neither agree nor disagree) are reported as disagreeing with the statement because the word “neutral” suggests a lack of a clear stand. This approach is justified because it ensures that only those who indicated “strongly agree” or “agree” with the statements are reported as such. This method was also used in prior studies by De Villiers and Van Staden (2010, p. 15).

As summarized in Table 3, only 36% of respondents agreed with the statement that a lack of personnel to manage accounts payables inhibited their SMME from managing their accounts payable effectively. A similar percentage also agreed with the statement that a lack of time to manage accounts payables inhibited their SMME from managing their accounts payable effectively. Only 34% of respondents agreed with the statement that a lack of skills to manage accounts payables inhibited their SMME

from managing their accounts payable effectively, while 30.5% of respondents agreed with the statement that a lack of resources to manage accounts payables inhibited their SMME from managing their accounts payable effectively.

The standard deviations of more than one for all the four statements indicate disagreement among the respondents on the above-mentioned factors that inhibit them from managing their accounts payable effectively.

Table 3. Factors that inhibit SMMEs from managing their accounts payable effectively

Statement	Percentage that agree with the statement	Users	Standard deviation
		n = 200	
		Mean	
a. My business lacks personnel to manage accounts payables	36%	2.92	1.185
b. My business lacks time to manage accounts payables	36%	2.92	1.172
c. My business lacks skills to manage accounts payables	34%	2.84	1.164
d. My business lacks resources to manage accounts payables	30.5%	2.81	1.184

Scale: 1 = strongly disagree; 5 = strongly agree.

The results in the previous paragraph are in contrast to the earlier results of Yiadom and Agyei (2006) and Pietersen (2012) which revealed that SMMEs indicated that they needed training in the management of their accounts payable. The difference could be attributed to the fact that 50% of the respondents in the current study (who were owners, managers, accountants and supervisors) had studied accounting at either diploma, degree or masters level, unlike the respondents in Yiadom and Agyei's (2006), and Pietersen's (2012) study.

Conclusion

Given that most SMMEs preferred purchasing on cash basis, and paying promptly to take advantage of discounts, and bearing in mind that most of those that purchased on credit used computers to manage their accounts payable records, these entities appear to have managed their accounts payable effectively. This explains why only a minority of the respondents agreed with the four statements on factors that inhibit SMMEs from managing their accounts payable effectively.

The low percentage of SMMEs making credit purchases (8%), and those delaying the payment due to the last date (43%), can be explained by their apparent pursuit of cash discounts (72%) which made them to prefer purchasing on cash basis (70%). Alternatively, the SMMEs may have been put on a cash basis by larger suppliers given their small size and a lack of track record which could have undermined their bargaining position.

This study recommends that decision makers of SMMEs should evaluate their accounts payable management practices to determine if they are optimising on the possible benefits that can be derived from payables, as most of these entities do not appear to utilize this source of capital. The study further recommends that future studies should investigate the reasons why SMMEs do not utilize accounts payable with view to determine whether it is due to some other impediments not investigated in this study or whether it is out of lack of need for this source of capital.

References

1. Amoako, G.K. (2013). Accounting Practices of SMEs: A Case Study of Kumasi Metropolis in Ghana, *International Journal of Business and Management*, 8 (24), pp. 73-83.
2. Balch, O. (2014). SMEs face £40bn in unpaid invoices, prompt payment is an ethical issue. Available at: <http://www.theguardian.com/sustainable-business/proposed-law-disclose-late-payment-practices>. [Accessed on 26 November 2015].
3. Bizfilings. (2015). The relationship between accounts payable and cash flow. Available at: <http://www.bizfilings.com/toolkit/sbg/finance/cash-flow/accounts-payable-cash-flow.aspx>. [Accessed on 26 November 2015].
4. Campbell, S. & Hartcher, J. (2015). Internal controls for small business. Available at: <https://www.whistleblowing.com.au/information/documents/InternalControls.pdf>. [Accessed on 26 November 2015].
5. DBIS. (2013). Building a responsible payment culture. Available at: https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/273436/bis-13-1234-building-a-responsible-payment-culture.pdf. [Accessed on 26 November 2015].

6. Deloitte. (2015). Strategies for optimizing your accounts receivable. Available at: <http://www2.deloitte.com/content/dam/Deloitte/ca/Documents/finance/ca-en-FA-strategies-for-optimizing-your-accounts-payable.pdf>. [Accessed on 26 November 2015].
7. De Villiers, C.J., Van Staden, C.J. (2010). Shareholders' corporate environmental disclosure need, *South African Journal of Economic and Management Sciences*, 13 (4), pp. 436-445.
8. Enow, S. (2015). *The working-capital management practices of small medium and micro enterprises in the Cape Metropole*. Masters Thesis, Unpublished. Cape Town: Cape Peninsula University of Technology.
9. Farook Umar. (2013). Definition and types of non-probability sampling. Available at: <http://www.studylecturenotes.com/social-research-methodology/definition-types-of-non-probability-sampling> (Retrieved on 13 November 2015).
10. Kallikkat, S. (2013). Effectively Managing Accounts Payable. Available at: <https://clarity.sutherlandglobal.com/blog/accounting-minute/effectively-managing-accounts-payable>. [Accessed on 26 November 2015].
11. Mazzarol, T. (2014). Research review: A review of the latest research in the field of small business and entrepreneurship: Financial management in SMEs, *Small Enterprise Research: The Journal of SEANZ*, 21 (1), pp. 2-13.
12. Mbroh, K.J. and Attom, B.E. (2012). Accounting and control systems practices by small and micro enterprises Owners within the Cape coast Metropolitan Area of Ghana, *Asian Journal of Buisness and management science*, 1 (9), pp. 28-47.
13. Mensah-Agyei, B.K. (2012). Working Capital Management practices of small firms in the Ashanti region of Ghana, *International journal of academic research in business and social science*, 2 (1), pp. 3781-3789.
14. Olivier, E.E. (2012). An A/P and A/R Update. Available at: <http://webcache.googleusercontent.com/search?q=cache:liwZ6Q2aP8J:gtnews.afponline.org/article/8716.cfm+&cd=1&hl=en&ct=clnk&gl=za>. [Accessed on 26 November 2015].
15. Pietersen, A. (2012). *Working Capital Management practices of Small and Medium Enterprises in the Western Region: A survey of selected SMEs in the Sekondi-Takoradi Metropolis*. Masters Thesis, Unpublished. Accra: Kwame Nkrumah University of Science and Technology.
16. Rico, D. (2014). Internal control practices: Accounts Payable. Available at: <http://blink.ucsd.edu/finance/accountability/controls/practices/accounts-payable.html>. [Accessed on 26 November 2015].
17. Singawaza, L. (2013). *The status of internal controls in fast moving consumer goods SMMEs in the Cape Peninsula*. Masters Thesis, Unpublished. Cape Town: Cape Peninsula University of Technology.
18. Sunday, K.J. (2011). Effective working capital management in small and medium scale Enterprises, *International Journal of Business and management*, 6 (9), pp. 271-279.
19. Tauringana, V. & Afrifa, G.A. (2013). The relative importance of working capital management and its components to SMEs' profitability, *Journal of Small Business and Enterprise Development*, 20 (3), pp. 453-469.
20. Tuffour, D.O., Appiagyei, A.B., Gyasi, J.A., Anokye, E. and Asante, R. (2012). *The effect of working-capital management*. Dissertation submitted for Degree of Business Administration. Christian Service University College.
21. Yiadom, E.M., Agyei, S.K. (2006). Working Capital Management practices of Small scale Enterprises in the central region of Ghana, *Asian Journal of Business and Management Science*, 1 (4), pp. 29-47.