

**FINANCIAL MANAGEMENT SKILLS AND UTILIZATION OF YOUTH
ENTERPRISE DEVELOPMENT FUND AMONG YOUTH GROUPS IN
BARINGO SOUTH CONSTITUENCY, KENYA**

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DECLARATION

This research project is my original work and has not been presented for any award in any other university.

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DEDICATION

I dedicate this work to my family for the sacrifice they made for me to complete this proposal. Their love, care, concern, support, encouragement, and enthusiasm inspired me to achieve this goal.

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I want to thank everyone who helped with this proposal. Dr Jeremiah Koori helped me read, fix, reread, and refine my work. Finally, I appreciate my friends and cclassmates support.

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OPERATIONAL DEFINITION OF TERMS

Cash Flow Management	The capacity youth group to monitor, analyze the liquidity position of their enterprises including where cash is coming from and going out and also preparation of cash flow statements
Financial Management	Refers to youth groups' capacity to handle financial resources successfully for company development.
Financial Management Skills	Youth group's technical know-how to manage various aspects of financial transactions of a company such as analysis of budget, purchasing, staffing decisions and return on investment (ROI) calculation.
Financial Record Management	Youth organizations' capacity to manage records of business transactions that is, the balance sheet, profit and loss statement and cashflow statements.
Investment Decision Making Process	The capability of the youth group leaders to determine how, when, where and how much capital will be spent on different projects.
Saving Behavior	Youth groups' ability to sacrifice current expenditure to improve future living standards.
Utilization of Youth Funds	This refers to the action of making worthwhile investments of the youth funds to profitable youth

C-YES Constituency Youth Enterprise Scheme

enterprises.

Youth Groups

This refers to a group of young people's forming a part or a unit of an organized social empowerment forums

EFYNGO	Egyptian Federation Youth Non-Governmental Organizations
FIs	Financial Intermediaries
GDP	Gross Domestic Product
IASB	International Accounting Standards Board
ILO	International labor Organization
IYF	International Youth Foundation
MFI s	Micro Finance Institutions
MSE	Medium and Small Enterprises
NPAY	National Program of Action for Youth
NSE	Nairobi Securities Exchange
NYDC	National Youth Development Council
PPE	Personal Protective Equipment
PPOA	Public Procurement Regulatory Authority Kenya
SACCOs	Savings and Credit Cooperatives
VIF	Variance inflation factor
YEDF	Youth Enterprise Development Fund

ABBREVIATIONS AND ACRONYMS

ABSTRACT

The Youth Enterprise Development Fund (YEDF) was established by an Act of Parliament in 2006 as a strategy to broaden economic opportunities and promote youth participation in building the nation. The effective utilization of the fund is vital if its objective of empowering young people through entrepreneurship. This study aimed to evaluate the relationship between financial management skills and the utilization of business development funding among youth enterprises in Baringo South Constituency. The study specifically sought to determine the relationship between investment decision making process, financial record management, saving behavior and cash flow management and the utilization of the YEDF in Baringo South Constituency, Baringo County, Kenya. Financial self-efficacy theory, goal setting theory, contingency theory and information asymmetry theory formed theoretical basis for this research. Researched entities was 22 YEDF-funded MSEs in Baringo South Constituency's. The study's sample size was made up of 88 group officials, four fund managers and three youth fund officials. Questionnaires were used in the collection of primary data. Prior to the study, a pilot was conducted in Koibatek to test data gathering devices. Research data was collected qualitatively and quantitatively. Data was presented using tables and charts. The data analysis was conducted using the Statistical Package for the Social Sciences (SPSS). The measures of central tendency were done by finding the means and standard deviation the data sets. The study used correlational and regression analysis to compute the correlation between the study variables. The study established a positive and significant relationship between the three independent variables: investment decision making, financial record management and saving behavior, and YEDF utilization among youth groups in Baringo South Constituency, Kenya. It also found a weak positive and significant relationship between cash flow management and YEDF utilization among youth groups in Baringo South Constituency, Kenya. The study recommended that entrepreneurial training for youth enterprises, and distinct saving accounts to assist youth groups organize their finances. It also emphasized on the importance of cash flow statements to help investors and shareholders understand how much money group is producing and spending. The study suggested that further studies should be conducted on financial management skills and use of government financial kits such Uwezo funds, Women Enterprise Development funds should be conducted.

CHAPTER ONE

INTRODUCTION

1.1 Background of the Study

In many countries, youth-owned and operated economic enterprises performance is critical to achieving high gross domestic product (GDP). The future of a nation is built on the shoulders of its youth. They symbolize the inevitable change between the young and the elderly (Chigunta, 2016). As a result, several countries are appreciating young adults' significance in coming up with laws and projects to direct this age group. According to Yunus (2018), youth policies, ministries and services are being promoted by many governments and greatly being recognized that youths are future of the growth of their countries.

All over the world, there have been concerted efforts to empower youth. With the help of USAID, the International Youth Foundation (I.Y.F) initiated the Caribbean Youth Empowerment Program in 2008. (IYF, 2015). The initiative targeted youth groups in Saint Lucia, Jamaica, Grenada, Barbuda and Antigua who are between 17 and 25 years. The program has been active in using youth funds to provide technological, educational, entrepreneurship, and expertise to disadvantaged youth in order to reinforce sustainability in their ways of life. The Prince's Trust Enterprise Program (P.T.E.P) in the United Kingdom targets people of 18 to 30 years with a business idea and are not employed or work for not more than 16 hours per week. The funds were successfully used to include resources such as job counseling, continuous volunteer business mentor support, start-up loan financing, professional support access that

include legal services at no charge, and variety of discounted and free goods and services (Abind & Simeon 2016).

An Act of Parliament created the National Youth Development Council (NYDC) in Zambia in 1986. The Council's key goal is to facilitate and organize all youth engagement projects and events carried out by different organizations with the aim of economic empowerment of youth-owned and run businesses. According to Zambia's National Program of Action for Youth (NPAY 1997), the NYDC is responsible for assisting youths in identifying feasible business opportunities through extension services and business advisory, youth settlement schemes management, small business development, training on technical skills and business management, research, and credit through the National Youth Development Fund. As a result, the Council has focused most of its efforts on promoting youth entrepreneurship. As a result, the ministry of the NYDC was able to successfully use youth funds to finance youth enterprises. However the utilization of the Fund among youth groups in Zambia is still low. A study by Bwalya and Njangiru (2019) revealed that an average of 18% of the Zambian groups repaid their loans annually between 2012 and 2018. They noted that the lack of financial skills was a significant factor that affected youth fund utilization.

The Egyptian Federation Youth NGOs (EFYNGO) is an umbrella organization for non-governmental organizations (NGOs) led by youths in Egypt that work in the field of youth development in Egypt. It has three primary goals. Its first goal is to strengthen its members' capacities and to coordinate the growth activities of its members' organizations. It also aims to improve cooperation and how Egypt's youth civil society coordinated with other sectors in their youth development activities, such as donors, the private sector, and the government. The federation represents Egyptian

youth in a variety of local, regional, and international activities (Anja Erbel, 2016). The Out of School Youth Fund was founded in Botswana in 2001 with the aim of diversifying the country's economy. The basic goals put emphasis on creating income-generating ventures centered on a youth entrepreneurial culture, hence economy diversification (ILO, 2017). Despite the introduction of the youth fund in Egypt and Botswana, proper utilization of the funds remains a severe problem and is influenced by investment decisions and saving behavior (World Bank, 2019).

According to Kefela (2016), investment decisions are guided by the issue of whether capital assets increment now would increase revenues enough for future costs covering. As a result, decisions on investment are money resources commitments of different times hoping for potential economic returns. Investment decision, according to Basu (2015), applies to capital budgeting. In the corporate world, investment decisions and capital budgeting are not considered separate acts. The term "capital" specifically refers to real assets, taking any form, including buildings, raw materials, machinery and plant and so on, in investment decisions, while "investment" refers to any such real assets. Financial records are an important tool for effective management. Financial record keeping is an important part of ensuring transparency and accountability in the public procurement process, as it allows for the orderly and efficient management of procurement transactions. Through better coordination of information usage, management, and monitoring, practices of good record keeping minimize vulnerability to legal disputes or financial loss and encourage productivity based on human and space resources (PPOA, 2015).

Saving tendency is the awareness of how individuals' saving behavior within a nation, with the aim of achieving particular economic goals. The Maps world of finance (2016) stipulates that, as saving behavior is enhanced among people, their disposable income increases. A positive shift in living standards is also realized. Savings bonds, money markets, certificates of deposit, assets accounts and other popular forms of savings accounts are available to people (Vohwinkle, 2015). Management of cash flow is critical to a company's financial health. Mismanagement, though a simple term, can mean the difference between profitability and bankruptcy. The flow of money into and out of a company is known as cash flow. It may also be used to assess a company's financial health or liquidity (Willinger, 2017). A company may go bankrupt if it spends more than it earns and runs out of cash. According to a survey conducted by Navon among construction companies in Israel, although all companies plan cash flow at the company level, only 60% of them compile cash flow at the project level, although infrequently and with a lot of manual effort.

1.1.1 Financial Management Skills

For financial decision-making, money handling skills are crucial. The ability to leverage skills and financial literacy knowledge to efficiently handle financial tools that in turn impact financial prosperity is termed as financial handling proficiency. Initiatives meant to reinforce personal knowledge and outlook on finances are part of this (Gale & Levine, 2016). Knowledgeable individuals, particularly in finances can access indispensable information vital in financial decision making (Panday, 2015). Individuals, according to Lusardi (2018), have a high level of financial illiteracy. Many teenagers are unable to complete basic financial calculations and lack

fundamental financial knowledge. One reason why young people fail to plan for their financial needs, or plan unsuccessfully, is because they are financially illiterate.

Poor financial management skills among the youths pushes them more to make poor decisions that damage not just themselves but also their families and the whole public (Gale & Levine, 2016). Ignorance of fundamental money matters can be blamed on insufficient financial proposition, inability to engage in financing forums, and undesirable borrowing tendencies. According to Cole and Shastri (2014), a society that expects individuals to manage their finances and decide how much to save is doomed if its population are ill-equipped to make sound financial judgments. The financial management skills comprise of investment decision making process, financial record management, saving behavior and cash flow management.

Investment decision, according to Basu (2015), applies to capital budgeting. In the corporate world, investment decisions and capital budgeting are not considered separate acts. The term "capital" specifically refers to real assets, which could include real estate, machinery, raw materials and plants in investment decisions, "Investment," in contrast, can be used to refer any asset. According to Kefela (2016), investment decisions are influenced by whether expanding capital assets today will provide enough revenue to pay costs in the future. As a result, investment decisions are monetary commitments made at various periods in the anticipation of future economic gains.

Maps world of finance (2016) espouses that saving skills encompass comprehension of saving tactics in a country to ease that country's economic status. It is commonly understood that as people spend less and increasingly conserve their finances, their

propensity to disposable income increases. A consequent outcome is a positive change in their living standards. Savings Bonds, Money Markets, Certificates of Deposit, interest-bearing accounts, and other popular forms of savings accounts are available to people (Vohwinkle, 2015).

Pecuniary resource management is critical to a company's financial health mismanagement, though a simple term, can mean the difference between profitability and bankruptcy. The flow of money into and out of a company is known as cash flow. It may also be used to assess a company's financial health or liquidity (Willinger, 2017). A company may go bankrupt if it spends more than it earns and is out of cash. While the cash flow idea is simple, putting a cash flow plan into action can be challenging. Cash is required to pay fixed expenses such as land leases, bills, and wages, as well as to buy assets and inventory, which each company faces its own set of challenges. Cash is required to pay fixed expenses such as land leases, bills, and wages, as well as to buy assets and inventory, which each company faces its own set of challenges. A cash shortage will occur if cash flow forecasts are not made and a six-month cash flow budget is not established, adding stress to business operations (Arinaitwe, 2016).

According to a survey conducted by Navon (Navon, Company level cash flow management, 2015) among Israeli construction companies, although all companies plan cash flow at the company level, only 60% of them compile cash flow at the project level, although infrequently and with a lot of manual effort. For cash flow forecasting, a rule of thumb was used to assign projected costs to an aggregated schedule and allocate them as a function of time. The same approach was used to calculate income flow, but there were no time lags for expenditures or income.

Another strategy was to employ well-known software packages. It did, however, necessitate a lot of manual labor, which made it unpopular among practitioners. It was also discovered that both methods were primarily used to generate expense-flows, with income-flows being measured quite haphazardly.

1.1.2 Youth Enterprise Development Fund in Kenya

YEDF began on December 8, 2006, and became non-commercial on May 11, 2007. It has worked with 36 financial institutions to provide youngsters direct access to finances, as groups or as individuals. The Constituency Youth Enterprise Scheme (C-YES) provides financing to every constituency youth organization. YEDF supports company development to increase Kenyan youths' economic prospects and national participation. YEDF increases young entrepreneurs' access to finance to minimize youth unemployment (Gudda & Ngoze 2015). At the constituency stage, 13,341 community ventures were given Kshs 614.8 million and 2,645 individual enterprises given Kshs 66.1 million. 315,076 community and individual enterprises have been given a total of Kshs 5.96 billion throughout Kenya (Baraka, 2015). In 141,552 community and individual enterprises through financial institutions, the entity invested Kshs 5.3 billion. An allocation of Kshs 5.3 billion has an insignificant effect; only a tiny percentage of the eligible youth population can access the Funds. The nationwide uptake of loans for firm development is poor, even with the small budget.

The funds given out are supposed to be returned to the institutions that are lending so that they can be used by other youth businesses which did not access them because of treasury's restricted allocation. The goals of the fund are: facilitating and attracting investments in youth-oriented commercial infrastructure that are micro, small, and

medium-sized, provision of on-lending to youth businesses, facilitating services and product marketing for youth enterprises domestically as well as internationally, and supporting youth-oriented SMEs by linking them with large enterprises. The Fund also assists young businesses with business growth (Baraka, 2015).

The Fund includes free entrepreneurship preparation, does not charge interest during the startup phase, and does not require security. The funding also ensures that valuation and redemption terms are as convenient as possible. About 144,000 youth enterprises have received funding from the Fund, totaling Kshs.5.2 billion. Numerous young people have benefited from the fund; they have successfully established their own businesses from business training from government. Amenity has educated over 200,000 young entrepreneurs through the Fund (2016). The YEDF is focused on a group project financing strategy.

According to a study by Amenity (2016), the utilization of the YEDF in Kenya is notoriously low. Even though the YEDF identifies the lack of entrepreneurial skills as a significant cause for the low utilization, only a few programs have been deployed to educate youth on the successful management of business enterprises. Notably, most youth groups that start businesses lack entrepreneurial attitudes; in most cases, youths are forced into the business by the high unemployment rates. Therefore, most of these youth groups need training to navigate the business environment successfully.

1.1.3 Utilization of the Youth Enterprise Development Fund in Baringo South

Baringo South constituency has assigned financial resources in form of revolving funds worth Kshs. 4.5 million to 312, youth enterprises in the constituency, (Kamuren, 2018). The Fund has established ward-level community committees to

review applications submitted by youth groups. Groups are first assigned a Kshs. 50,000 loan, and work their way up to Kshs. 200,000. Solitary persons are first assigned a Kshs. 25,000 loan and work their way up to a Kshs. 100,000 loan on their third loan. Membership to a group that fully repays its loan is compulsory to be eligible to borrowing as an individual. The Fund, on the other hand, has created a new offer that allows people with novel ideas to be lend money from the kitty regardless of group membership status. There is no interest on this component and merely a 5% one-time administration charge (Amenya, 2016).

The fund has formed partnerships with 36 financial intermediaries, including Micro Finance Institutions (MFIs), Savings and Credit Cooperatives (SACCOs) and Non-Governmental Organizations (NGOs) to allow efficient access and utilization of the youth funds. Through these intermediaries, funds can be accessed by the youth to start or grow feasible businesses. The Intermediaries are in charge of managing funds that the youth will be able to access as individuals or as groups. Kshs. 1 million can be gotten by youth via this part. The loan charges an 8% interest rate annually. For loans that are more than Kshs. 1 million, approval must be obtained from the Fund by the financial intermediary's 1 million with Small and Medium Businesses, the youth of Baringo South have taken advantage of these opportunities.

Despite the fact that the Baringo south constituency has implemented initiatives such as collaborating with financial intermediaries to facilitate access to youth funds, only 28% of youths actually receive the funds. According to statistics, only 3% of the 28 percent of youths who are eligible for the funds repay their loans. According to statistics from a county official in the constituency, only 59 of the 312 youth enterprises founded with the help of youth fund aids are thriving in the sector (Kamuren, 2018). This shows that only Ksh 400, 000 of the Ksh 4.5 million set aside

for youth enterprises is used (Auditor general report 2016/2017 financial year). This results to majority of the money raised by YEDF from the government are not repaid, suggesting that the funds are underutilized in the constituency. A probable cause of the underutilization of the youth funds is the lack of the necessary financial knowledge and business management skills. This could be a result of the inadequate training of youth groups on business enterprise management.

1.2 Statement of the Problem

According to the World Bank (2018) figures, only 3 % of the 28 % of Kenyan youths who are eligible to obtain funds repay their loans. In 2019 youth enterprise development advanced loans to youth enterprises in the constituency totaling one million Kenya shillings. The fund has had little effect on youth empowerment due to misappropriation of the disbursed funds or colluding by government officials with corrupt groups. This is shown by the low adoption and poor usage of youth funds, with only 28 % of youths receiving funds. According to statistics from a county official in the Baringo South constituency, only 59 of the 312 youth enterprises funded with youth fund aids are thriving in the sector. This shows that only Ksh 400,000 of the Ksh 4.5 million set aside for youth enterprises is used (Auditor general report 2016/2017 financial year). The low repayment rates the funds are underutilization of the YEDF in the constituency.

Several researches have been conducted on the financial management skills, for example, Mangee, (2012) researched on factors that affect efficient use of youth business grants in Bahari constituency Kilifi County, Kenya. According to the findings of the research, the efficacy and utilization of YEDF is influenced by the amount of education, entrepreneurial training, and business experience. The study, on

the other hand, concentrated on entrepreneurial training, education, experience, and funding needs as opposed to the current study which focused on the investment decision making process, financial record management, saving behavior and management of cashflow. The study was conducted in Bahari constituency in Kilifi County while this study was conducted in Baringo South Constituency, Baringo County.

Mohamud and Ndede (2019) researched on youth business funding and empowerment in Wajir County, Kenya. Attending entrepreneurship training is vital in increasing business success, according to the study. The youths receive training on how to improve and keep consumers. However, the study's dependent variable was youth empowerment while the current research assesses the utilization of youth funds. Allen and Kinchen (2016) conducted another study on the financial accounting strategies of college students at South-eastern Louisiana University. The study discovered that the majority of workers are severely deficient in efficient utilization of finances skills, and the connection between money management preparation and the efficacy of financial management skills is clear. However, the study only focused on the financial literacy and left out the utilization of finances among the youths which this research focuses on.

In Baringo South constituency, there is a serious youth fund utilization challenge as evidenced by the low loan repayment rates. The majority of youth enterprises in the constituency have a short life span due to their inability to manage financial resources (Samuel, Nyakundi, & Osodo, 2019). Based on existing studies it is clear that financial management skills have an immense influence on the utilization of youth enterprise funds. However, not a single report on financial management skills and utilization of fund has been conducted in Baringo south constituency. This study fills

the gap by focusing on financial management skills specifically investment decision, financial records management and cashflow management, and utilization of YEDF among youth groups in Baringo south constituency, Baringo County are related.

1.3 Objectives

1.3.1 General Objective

The general objective of the study was to assess the correlation between money management skills and the utilization of youth business loans among youth groups in Baringo South constituency, Baringo County, Kenya.

1.3.2 Specific Objectives

- i. To assess the relationship between investment decision making process and utilization of youth enterprise fund among youth teams within Baringo South Constituency, Baringo County, Kenya
- ii. To evaluate the correlation between financial records management and the youth enterprise fund utilization among in Baringo South Constituency, Baringo County Kenya.
- iii. To investigate the correlation between saving behavior and utilization of youth enterprise fund among youth groups in Baringo South Constituency, Baringo County Kenya.
- iv. To assess the correlation between cash flow management and use of youth business fund in youth groups in Baringo South Constituency, Baringo County Kenya.

1.4 Study Hypothesis

- H0₁:** There is no significant relationship between investment decision making process and utilization of youth enterprise fund among Baringo South Constituency, Baringo County Kenya.
- H0₂:** There is no significant relationship between financial record management and utilization of youth enterprise fund among Baringo South Constituency, Baringo County Kenya.
- H0₃:** There is no significant relationship between saving behavior and utilization of youth enterprise fund among Baringo South Constituency, Baringo County Kenya.
- H0₄:** There is no significant relationship between cash flow management and utilization of youth enterprise fund among Baringo South Constituency, Baringo County Kenya.

1.5 Significance of the study

The study's findings on financial management skills and utilization of YEDF will be helpful to government policymakers, youth groups, and scholars in the business profession. The study informs government policy regarding creating adjustments to streamline the operation of the Youth Development Fund to increase youth involvement. The study results are helpful to the government in determining the effectiveness of the YEDF in lowering the country's unemployment rates in youth by promoting the growth of youth-owned businesses. Policymakers can use the results as a guide for developing YEDF management policies

The study findings are helpful to youth enterprises in identifying areas of weakness in YEDF's operations and how to dampen them to leverage the positive impact on their businesses. By including all stakeholders in reaching the project's target outcome, the study assists youths in policy formulation for development initiatives. The findings aid youth enterprises in identifying methods to take ownership of Youth Development Fund initiatives through increasing involvement.

The study findings are helpful for scholars and researchers who seek to explore the effects of financial management skills and the utilization of YEDF. Since the creation of the Youth Empowerment Development Fund (YEDF) in 2006, the research would contribute to the literature by highlighting segments of vulnerability in government strategies to build economic resilience among youths.

1.6 Scope of the Study

The study was done in Baringo County where consideration was on the correlation between financial management skills and the use of youth business grants in youth groups are related. The independent variables of the investigation were cash flow management expertise, saving behavior, financial record management adeptness and investment decision making prowess. The target population was made up of 88 group officials of the existing 22 YEDF funded MSEs in Baringo South Constituency, 4 fund managers and 3 youth fund officials. Therefore, the total target population was 95 respondents. The researcher got information on business enterprises and project financed by YEDF in Baringo South Constituency. The study was conducted between the months of August 2021 to March 2023 with an approximate budget of 181,520.

1.7 Delimitations and Limitation of the Study

The research was delimited among the youth groups that benefits from YEDF in Baringo south constituency. The constituency is located in Baringo County. The study limitation was the inability to get data from some participants because of fear that their data would be used objectively by their superiors, costing them their employment. The researcher must advise and explain to them that the information they give is indispensable in undertaking the research and attaining educational goals. Some youth groups might not readily give business information for fear of giving out private information may be hesitant to share business details for fear of disclosing their trade confidential data to other youth groups; due to the challenge, researchers must assure the research sample of data confidentiality and make it clear that the information is only for educational use.

1.8 Organization of the Study

The study has five chapters. First chapter includes study background, problem statement, aims, research hypothesis, significance, limitations, and scope. Second chapter provides study theories, empirical examination of study aims, research aps, and conceptual framework; third chapter contains research technique. The fourth chapter presents research results. Chapter five offers research summary of the findings, a conclusion, and recommendations of the study.

CHAPTER TWO

LITERATURE REVIEW

2.1 Introduction

A literature review is a previous research compilation on a subject (Bailey, 2011). It examines academic courses, foundations and books that are relevant to a specific area of study. This chapter presents a detailed theoretical review that discusses four theories underpinning the study; financial self-efficacy theory, goal-setting theory, contingency theory and information asymmetry theory. Empirical reviews, which entail concepts that support the study basis, are the focus of this segment. The chapter also centers on conceptual findings which investigate the tenets related to variables being researched. The last section is a brief summary of critical studies and a conceptual framework which summarizes the independent and dependent variables.

2.2 Theoretical Literature Review

The theoretical context is the framework that keeps or endorses a study, it serves as the foundation of a research (Abend, 2011). The research basis was financial self-efficacy model, goal setting theoretical model, contingency postulation, and information asymmetry theory.

2.2.1 Financial Self-Efficacy Theory

Bandura theorized the financial self-efficacy principle (1977). The principle is about having faith in an individual's capability to complete a task. It's been indicated to raise the probability of being involved and sticking with something (Bandura, 1977). According to Locke and Latham (2002), higher individual goals are put in place by

people with significant personal efficacy. Since there link between is a particular domain or region and self-efficacy, its evaluation must be done for a decision on the positive outcome probability to be made by that domain or area (Eccles, 2002).

According to a study on self-efficacy in entrepreneurship context, entrepreneurial intentions to start a company is positively affected by a high self-efficacy degree (Boyd & Vozikis, 2000). Tsang et al. (2016) found that the self-efficacy of individual members in a group significantly affects investment decisions which impacts group performance. Self-efficacy of a group is intimately related to the experiences and skills of individual members, which directly affects the utilization of disbursed funding. According to Lapp (2010), when self-efficiency is incorporated into group financial management, it motivates youth groups to make better financial decisions. Based on the theory, more help from financial training is needed by youth groups with low financial self-efficacy. Florin, Karri, and Rossiter (2007) claim that for a person to develop self-efficacy, training is needed, and that even with training, some people will still be inept at financial management decision-making and scales. The self-efficacy theory offers a possible explanation for the investment decisions that result in low utilization of youth funds. It helps in explaining the relationship between utilization of youth enterprise fund and cash flow management among youth groups in Baringo South Constituency, Baringo County Kenya.

2.2.2 Goal Setting Theory

The theoretical model of goal-setting was created by (Hollenbeck & Klein, 1987). The assumption that conscious expectations and intentions influence outcomes underpins the theory. Latham and Locke (1990) and Locke (1986) posit that personal expectations probably determine how well they execute similar duties, according to

aim setting principle of motivation. More difficult as well as well-defined goals produce better outcomes than ambiguous, straightforward objectives. For goal setting theory to be successful, people need to have the desire to complete the task, receive feedback and have dedication to the goal. This theory is relevant because enterprise management is strongly associated to the capacity to plan, set and achieve objectives.

According to the goal-setting theory of motivation, to ensure the consumer's best interests, financial literacy measures ought to be linked to financial conduct (Han & Ahn, 2020). Motivation is the deciding factor for youth groups to do something, including making investment decisions. The concept is that for a youth group to utilize youth funds effectively, it must understand the consequences of its actions. The most relevant aspects of goal-setting behavior in the context of youth fund utilization are goal commitment and goal specificity, which depends on the group's skill levels (Han & Ahn, 2020). Goal commitment and specificity will affect saving behavior, investment decisions, financial record management, and cash flow management. Goal setting is vital for youth enterprise management. To achieve optimal performance/proper fund utilization, youth groups must establish measurable goals, evaluate their financial positions periodically using financial records, and link investment decisions to their goals (Han & Ahn, 2020).

Goal-setting, theory has been criticized on the ground that, in youth groups a goal of an administrator may not line up with the goals of the other members in general. In such instances, an individual's ambitions may directly conflict with the goals of the group. Performance may suffer if goals across youth groups and individuals are not clearly adjusted. Furthermore, evidence espouse that putting in place objectives can influence unscrupulous orientation if individuals fail to meet their objectives (Bambi, 2004). In other cases, setting goals might also detract from performance. When a

person is extremely concentrated on achieving a previously established objective, they may underperform on current duties, Mihaly (2009).

The theoretical model fits this research in the manner that the youths set their own financial goals the youths like the saving plans for entrepreneurship purposes. For to achieve the financial set goals they ought to observe their financial skills on saving behaviors, financial record management and the investment decisions ought to make. Therefore, the theory is useful in explaining the link between financial record management, saving plan and investment decision making process and the use of youth business grants among youth teams in Baringo South Constituency, Baringo County Kenya.

2.2.3 The Contingency Theory

It was proposed by Fred Edward Fiedler (Austrian psychologist) in 1964, it was later expanded by Pike in 1986. Resource-allocation efficiency is more than just implementing advanced, potentially superior investment strategies and procedures; it also requires consideration of the match between the business background and the capital budgeting system's architecture and function (Pike, 1986).

According to the contingency theory there is no one best way to manage an enterprise; the best approach varies depending on the situation (Waheed & Malik, 2019). The success of a youth group is measured by the effective management of its financial resources, which in this context is the YEDF. In the youth financial empowerment groups, some specifics affecting fund utilization include financial management skills gained from entrepreneurial training programs. The contingency theory embraces organization and financial management and links the two to the performance of an organization. Financial management is relevant to this study as it determines a group's

ability to make investment decisions, effectively keep financial records, implement saving practices and efficiently manage cash flows.

The contingency theory is not without criticisms; since it offers no solid solution to business problems, it requires that managers/stakeholders scrutinize unlimited alternatives to make an informed decision (Waheed & Malik, 2019). This is often impractical because of the constraints on time and money. The theory does not guide management principles (Araral, 2020). It is only possible for decision-makers to investigate some factors affecting decision-making. Despite these criticisms, the contingency approach is advantageous because it supports the analysis of different factors to solve business challenges effectively. Therefore, the theory helps explain the relationship between the investments decision process and the utilization of youth enterprise funds among Baringo South Constituency, Baringo County's youth groups.

2.2.4 Information Asymmetry Theory

In 1970, Akerlofs established this theory. According to the information asymmetry principle, at least one stakeholder has important knowledge while the rest do not have such awareness. Skewed selection and unethical issues are the resultant outcomes of asymmetrical knowledge. The approach's two key features are as follows: credit is provided out at an equivalent rate to the funds' opportunity cost; and lenders assign capital to risky ventures that might or might not be bankable. In the case of adverse selection, common beliefs postulate that the individuals with loans understand the risks their businesses face.

An individual with a project with a high level of uncertainty might access high interest credit. Equally, an individual with a relatively low risk venture not have access to high interest financial resources because their investment is viewed to have

less returns and their ability to repay the money is low (Bergh et al., 2019). Also, the lender's investment would be at risk if interest rates were increased and money lend to high-risk investors who could in turn be defaulters. Lenders interested in risk reduction confer their money at a reduced interest rate than a bloated rate.

The rate of interest mechanism can fail to reach market rate equilibrium if there is a change in the quality of the lender's loan portfolio, resulting in credit access rationing at a lower interest rate. Youth groups with good financial management will tend to utilize their finances better. To mitigate the risks of inappropriate utilization of youth enterprise funds, there is a need to equip youth groups with knowledge of enterprise management. Therefore, good financial management skills will help the youth groups to utilize the funds disbursed efficiently hence leading to better empowerment of the youths. Therefore, the theory helps in explaining the utilization of the Youth funds in Baringo south constituency.

2.3 Empirical Review

Onyango (2016) investigated how personal financial management among employees of Kenyan commercial bank was impacted by financial literacy. The study's participants were all workers who were perceived to have received financial literacy training or had acquired financial literacy through work experience. The research found that the vast majority of participants had financial literacy gained from work experience or training, and it significantly affected the management of finances in Kenyan commercial banks. These findings revealed that despite having financial knowledge the majority of participants saved a small percentage of the earnings. This is due to the financial restraint of individuals and high living cost. However, the study only focused on the financial literacy among the employees of commercial banks.

There is no evidence that the employees are enrolled in the youth fund programs. The current study will focus on the financial skills among the youths utilizing the youth funds.

In Malaysia, Azizah and Masud (2016) assessed educational needs and financial management skills of university students. Students from Malaysian public and private universities were the participants in the study. The results showed substantial mean score differences among ethnic groups, compared to other ethnic groups, the score was lowest for Chinese students; private university students' financial management skills were lower than public university students. The study reported that a staggering 76% of students lacked the financial management skills needed for running a successful enterprise. The study, however, only used sampling and questionnaires, leaving out other research methods such as data analysis and research design, which are to be included in the current study. The previous research also looked at personal financial management skills, while the current research would focus solely on money handling expertise and youth funds use.

In the South African municipality of Moroka and Phenya (2016) assessed small retail business managers'/owners' financial management skills. The research based on theoretical analysis of small ventures capital handling skills, training interventions as well as environments. For the purposes of empirical research, financial management skills applicable in small businesses were defined & classified. Within the indicated geographical area, empirical research was performed on the population targeted. The research findings pointed to the fact that the most enterprise owners and managers lacked financial knowledge. Nonetheless, the previous study was limited to the analysis of financial literacy among retail business managers, while the current study evaluates how financial management skills affect utilization of YEDF.

Kristen (2017) examined how a customized training course on financial management helps owners of small business build short-term financial self-efficacy and money administration knowhow. Owners of small enterprises who completed the teaching course focusing on short-term money administration concepts were included in the study. The study established that the financial self-efficacy of participants and short-term financial management skills growth were enhanced significantly by the training course. However, the study focused on the training to assess the financial management skills unlike the current research which focuses on the investment decision, financial record, saving behaviors and cash flow management to assess the financial management skills. The current study examined the link between financial management skills and the utilization of youth enterprise fund.

Wanjiru et al. (2022) examined the how financial management skills impact the performance of youth projects in Nairobi County, Kenya. The study established a positive and significant correlation between effective financial management and performance of youth groups in Nairobi County. It reported that as the financial skill level increased among the members of youth groups, their performance drastically improved. In the study, the financial skills were restricted to the detailed organization of the financial situation. This study, however, evaluates the four facets describing financial management skills: investment decision-making, financial record management, saving behavior and cash flow management.

2.3.1 Investment Decision Making Process

Amisi (2014) investigated the impact of financial literacy on investment decisions for utilization of pension funds in Kenya. The study utilized a three segments of adjusted Likert scale questionnaire to gather research data. The findings revealed that financial

literacy is well below the required standard. The financial literacy level with regard to investment decision making was discovered to hugely impact investment resolutions. However, the study focused on the pension finances managers' investment decisions while the current study will be conducted on the investment decision among the youth enterprises in Baringo South constituency.

Haruna (2015) conducted a qualitative investigation into Malaysian stock market investors' investment decision-making behavior. The study's main goal was to investigate how Malaysian retail investors make investment decisions. The findings revealed Malaysian retail investors make investment decisions based on convention or security feelings and that they are patriotic. They make investment decisions based on their results rather than third-party opinions. Because they herded on the facts, they were influenced by psychological biases. Challenges are overcome by experience, and they believe that a good understanding of the national and international financial and economic position can help them make better investment decisions. However, the qualitative study was conducted among Malaysian stock market investors' investment decision-making behavior while the current research will center on the investment behaviors among the youth enterprises. Since the research was conducted in Malaysian stock market investors, the findings may be inapplicable to the local context which is youth groups in Baringo south constituency, due to the disparities in economies.

Goyal (2016) evaluated at the behavioral biases that people have when making investment decisions. The study conducted a systematic analysis of literature on behavioral biases in investment decision-making that had been published in the previous 33 years. The study's results revealed that research in this field in emerging economies, most current literature on behavioral biases reflects research paucity and inconclusive factual findings related to herding bias, the concentration on impartiality

in home bias, inadequate experimental research on individuals exhibiting herd behavior and secondary data-based factual exploration dominance. However, the study reviewed only the published literature while the current study will review both the published literature and collect primary data on the investment decision.

Armandi (2017) investigated the factors that influence investment decisions in entrepreneurial pitches in the aftermath of an entrepreneurial pitch, the research examined what drives the final decision on investment by use of 63 pitches provided by businesspersons in front of potential investors. The findings indicate that the attention given by investors is not equal to all aspects of the projects that are presented to them, but they do give the entrepreneur special consideration and appear to overlook the finances. Furthermore, different mixes of flawless venture characteristics result to positive investment decision while existence of combinations of flaws into the venture drive rejection.

2.3.2 Financial Record Management

Maalu (2015) looked into the factors that influence record management in small businesses, with a focus on microenterprises in Nairobi's east lands. The research data was obtained from 90 small and medium enterprises in Nairobi's east land area in achieving the goals. The study established that only 28% of the enterprises prepared a profit and loss statement which was the most popular financial record kept by the enterprises. There was evidence that budgeting is widely undertaken by these enterprises. Out of those 59 who kept records, 36 percent of them indicated that they do some form of budgeting. However, the study was conducted on financial record management for small and medium enterprises while the current study will focus on financial record management skills among youth enterprises.

Muchira (2015) conducted a case study of Thika municipality on financial records management and MSE development. The qualitative method was utilized in achieving these objectives: to determine the extent to which their businesses growth and operation were supported by recordkeeping, to determine MSEs operators' attitude toward recordkeeping in their businesses, to determine the challenges in recordkeeping faced by MSEs entrepreneurs and to determine the records types kept by MSEs in their business operations. The study reported that MSEs do not maintain full accounting records, due to the uneconomical amount incurred in recruiting skilled accountants and deficiency of accounting expertise. This results to inefficient utilization of information on accounting by MSEs in supporting financial performance measurement. However, the research was based on the qualitative data while the current study will utilize quantitative data. However, the study focused on the financial record handling and development of the MSE while the current research will focus on utilization of the youth funds. The study was also conducted in Thika municipality which is vast with resources unlike Baringo south constituency which has limited resources

Assah and Mbroh (2016) conducted a report on small and micro enterprise owners' financial records management and business decision-making processes in Ghana - facts from the central region. The majority of the surveyed businesses did not keep any financial records, according to the report, and the main reason given was their fear of being exposed to regulatory authorities. Microbusinesses kept insufficient financial records on their own. Having to rely on outside help and not keeping proper financial records. Decisions are critical in company, according to the respondents once again. However, the study adopted a purposive sampling methodology while the current study will adopt a census technique.

Mugambe and Mwebesa (2018) investigated how development organizations' financial performance in western Uganda's rural areas was impacted by financial record management. A small portion of respondents reported to have kept money in boxes, while a majority reported that they kept money in the bank. The results further indicated that financial performance and financial record management had a significant correlation. However, the study was on the financial performance while this study will be on the financial literacy and utilization of the youth funds.

2.3.3 Saving Behavior

Kent (2015) conducted research into the development of new saving skills theories and the effect of customer-advisor relationships on household savings. The study's aim was to create customer/bank advisor relationships model as well as customer saving habits. The results were a model distinguishing three types of exchange between a bank advisor and a customer (relational, intermitotic, and transactional). The study established that saving skills are strongly linked to the proper utilization of loans and wealth outcomes. The study heavily relied on qualitative studies, and the researcher's personal biases might have affected the findings. The current study takes a quantitative in evaluating the effect of saving behavior on youth fund utilization.

Humaira and Ullah (2017) studied household saving and investment skills among different income groups in Isiolo County's urban region. The author found that a variety of factors influence household saving and investment, including wages, schooling, job status, the number of dependents, and properties. The study recommended the creation of job opportunities by availing loans and grants to the public and delivering low-cost schooling to boost the availability of money for savings. The qualitative study focused on household saving while the current

quantitative research will center on the saving skills on the use of finances among the youth groups.

2.3.4 Cash Flow Management

Festus (2015) investigated cash management and small-scale business development in the Ntungamo market. The study's objectives included determining the cash management policies used by business owners, determining the rate at which small scale businesses expand, and determining the relationship between cash management and small-scale business development. The research found a significant relationship between cash flow management and the development of small enterprises. If cash management is maximized in business projects while all other variables remain optimistic, the company will expand and represent the public as predicted, resulting in better and improved profitability and high growth rates. However, the study focused on the cash management policy used by business owners and expansion of SMEs while the present research will center on the cash flow management and the use of youth funds.

Nyanga'u and Oyiko (2017) evaluated how cash flow management practices impact monetary output of manufacturing companies on the Nairobi stock exchange. Descriptive research design was utilized to explain the cash flow management practices in manufacturing firms listed on the Nairobi Securities Exchange, (NSE). In the NSE Report for the period 2007 to 2016, the target population consisted of 7 listed manufacturing firms. It established that NSE listed manufacturing company's financial performance was significantly affected by cash flow management activities. Unga limited applied benefit from activities to consider operating cash flows, according to the report. Furthermore, as shown by a mean value and standard

deviations, BOC Limited used Purchase of personal protective equipment (PPE) to accept spending cash flows to a large extent. Furthermore, a positive relationship between operating cash flows and financial results as measured by return on equity was discovered. However, the research was centered on financial performance of manufacturing firms listed in the NSE while the current research will revolve on the utilization of the youth funds in Baringo south constituency.

In South Africa, Myeni (2018) investigated cash-flow control techniques in medium and small -sized occupational health enterprises. The qualitative study found that cashflow management skill, understanding of the procurement process, and budgeting positively affected the performance of business enterprises. The study employed a qualitative data; however, this study will use quantitative data to determine the validity of the findings. Additionally, the findings might be inapplicable in the local context of this study due to variation in the accessibility of resources.

2.4 Summary of the Reviewed Literature

The research was to focus on the concepts of financial performance and goal-setting theory. Trust in a person's capacity to execute a particular task is referred to in the financial performance principle. It has been shown to increase the probability of being involved and sticking with something. Since there link between is a particular domain or region and self-efficacy, its evaluation must be done for a decision on the positive outcome probability to be made by that domain or area. According to goal setting theory, personal expectations probably determine how well they execute similar duties, depending on objective setting principle of motivation more difficult and well-defined goals produce better outcomes than ambiguous, straightforward, or do-your-best goal.

2.4.1 Research Gaps Summary

Table 2.1: Summary of Research Gaps

Author	Focus of the Study	Findings of the Study	Research Gap	How the Current Study Address the Gap
Festus (2015)	Cash management and small-scale business development in the Ntungamo market.	According to the results, a significant interrelation between cash management and the development of small businesses exists. Cash is a valuable current asset that must be carefully planned for optimum balance in order for business operations to run smoothly. If cash management is maximized in business projects while all other variables remain optimistic, the	However, the research study utilized both secondary and primary data, with self-administered questionnaires obtaining primary data.	Festus's findings showed a significant correlation between cash management and the development of small businesses exists. Cash is a valuable current asset that must be carefully planned for optimum balance in order for business operations to run smoothly. This is in line with the current study which shows there was a moderate, positive, and significant

		company will expand and represent the public as predicted, resulting in better and improved profitability and high growth rates.		association between cash flow administration and youth entrepreneurs fund use.
Kent (2015)	Development of new saving skills theories and the effect of customer-advisor relationships on household savings	<p>The findings were used to create a model of bank advisor/customer relationships and their effect on saving habits.</p> <p>The results are a model distinguishing three types of exchange between a bank advisor and a customer (relational, intermitotic, and transactional).</p>	<p>However, the study aim was the development of new saving skills theories and the effects of customer-advisor relationships on household savings. The study's aim was to create customer/bank advisor relationships model as well as customer saving habits.</p>	<p>Kent (2015) study focused on the creating customer/bank advisor relationships model as well as customer saving habits, as opposed to the current study which focused on the relationship between investment decision making process and utilization of youth enterprise fund.</p>

Assah & Mbroh (2016)	The impact of financial records management on investment decisions in Ghana	The findings revealed that majority of the businesses did not keep any financial records, and the main reason given was their fear of being exposed to regulatory authorities	The study by Assah and Mbroh (2016) was conducted among SMEs while the current study was conducted among youths groups	The study by Assah and Mbroh (2016) revealed that a financial record is a key aspect on firm performance. The findings ali with the current study which revealed that financial records is a key aspects in the utilization of YEDF
Azizah and Masud (2016)	Assessed educational needs and financial management skills of university students	The findings revealed that private university students' financial management skills were lower than public university students; however, in the score gender difference did not exist. Regarding financial education needs, learners needed career planning related	The study was conducted in Malaysia and adopted sampling and research questionnaires as the research methodologies and left out other methods like data analysis and research design	The findings by Azizah and Masud (2016) revealed that education level determines the financial management skills of students. This is in line with the current study which shows that financial skills of youth groups

		training.	which is to be included in the current exploration.	members help in utilization of YEDF
Humaira and Ullah (2017)	Household saving and investment skills among different income groups in Isiolo County's urban region	The results revealed that the study area had a high degree of literacy and job status. The average household saved \$7,900 per month and invested \$2,649 per month. The author came to the conclusion that a variety of factors influence household saving and investment, including wages, schooling, job status, the number of dependents, and properties.	However, the study focused on household saving while the current research centered on the saving skills on the use of finances among the youth groups.	Humaira and Ullah (2017) findings revealed that a variety of factors influence household saving and investment, including wages, schooling, job status, the number of dependents, and properties. More job opportunities should be developed, according to the report, to reduce the negative effect of dependents on household saving and investment, the findings differs with

				our findings which indicated that the group had a saving culture that demands they save money. The survey also indicated that the group has established some saving objectives by picking a project to save towards and knowing how much it would cost.
Kristen (2017)	Whether a customized training course on financial management helps owners of small business build financial management skills	Participants' money self-awareness and short-term administration skills growth were enhanced significantly by the training course.	The study centered on the equipping skills to assess the financial management skills unlike the present research which focused on the investment decision,	The current research covers the gaps by centering on the financial management skills among the youths such as investment decision. Financial record management, saving behavior.

			financial record, saving behaviors and cash flow management to assess the financial management skills.	
Maalu (2015)	Factors that influence record management in small businesses, with a focus on microenterprises in Nairobi's east lands	The cash book, debtor's books, and creditor's books were the most widely kept records. The profit and loss account, prepared by just a few of the 90 businesses, was the most popular of the periodic performance reports. There was evidence that budgeting is widely undertaken by these enterprises.	However, the study was conducted on factors influencing record management while this study examines record management skills.	The findings of Maalu (2015) indicated that there was evidence that budgeting is widely undertaken by these enterprises. Out of those 59 who kept records, 36 percent of them indicated that they do some form of budgeting. The findings align with the current study which found that The investigation

				indicated that the organization maintains track of all earnings and costs to assess if the firm is profitable.
Moroka, Phenya (2016)	Assessed small retail business managers' / owners' financial management skills	The research findings indicated that the most enterprise owners and managers lacked financial knowledge	Nonetheless, the previous study was limited to a literature review of retail business managers, while the current study covered both literature and research methodology among youths.	Moroka, Phenya (2016) focused on financial management skills among retail owners in South Africa, this is in line with the current study which focused on financial management skills but narrowed down to investment decision making process, financial record management, saving behavior and cash flow administration
Muchira	A case study of	MSEs do not maintain	However, the	However, the study

(2015)	Thika municipality on financial records management and MSE development	full accounting records, according to the report, due to the uneconomical amount incurred in recruiting skilled accountants and deficiency of accounting expertise. This results to inefficient utilization of information on accounting by MSEs in supporting financial performance measurement.	study adopted a qualitative research design while the current study adopted a quantitative approach. The study also centered on the qualitative data collection methods while the current study collected both qualitative and quantitative data.	focused on the financial record handling and development of the MSE while the current research focuses on utilization of the youth funds. The study was also conducted in Thika municipality which is vast with resources unlike Baringo south constituency which has limited resources.
Mugambe and Mwebesa (2018)	How development organizations' financial performance in western Uganda's rural areas was impacted by	The study found that the majority of participants were familiar with the International Accounting Standards Board (IASB)	However, the study was on the financial performance while this study was on the financial literacy	Mugambe and Mwebesa (2018) findings revealed that financial performance and financial record management had a significant positive

	financial record management	recognized financial book types. Just a small percentage of respondents said they kept money in boxes, and some said they kept money in the bank. The results further indicated that financial performance and financial record management had a significant positive relationship	and utilization of the youth funds.	relationship, these findings conquer with the study findings that there is a substantial positive and significant association between financial documentation administration and the use of youth business fund among youth organizations in Baringo South Constituency, Baringo County Kenya.
Mohamud and Ndede (2019)	The utilization of youth enterprise funding in Wajir County, Kenya	The study established that entrepreneurship training significantly improved the success of youth projects and enterprises in Wajir County.	However, the study solely focused on the effects of entrepreneurship training. It did not explore the financial	Mohamud and Ndede (2019) examined the effect of entrepreneurship training on youth, while the current study will tackle the relationship between

			management skills gained by the youths.	financial management skills and the utilization of youth funding.
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2.5 Conceptual Framework

A conceptual framework is a graphic description of the project outlining the key variables and how they relate to each other (Cooper & Schindler, 2015). The conceptual framework in figure 2.1 below diagrammatically demonstrates the relationship between the study variables. The independent variables were investment decisions, financial record management, saving behavior and cash flow management. The utilization of the youth enterprise funding was the dependent variable. Under each variable is a brief description of the quantification or measurement of the variables.

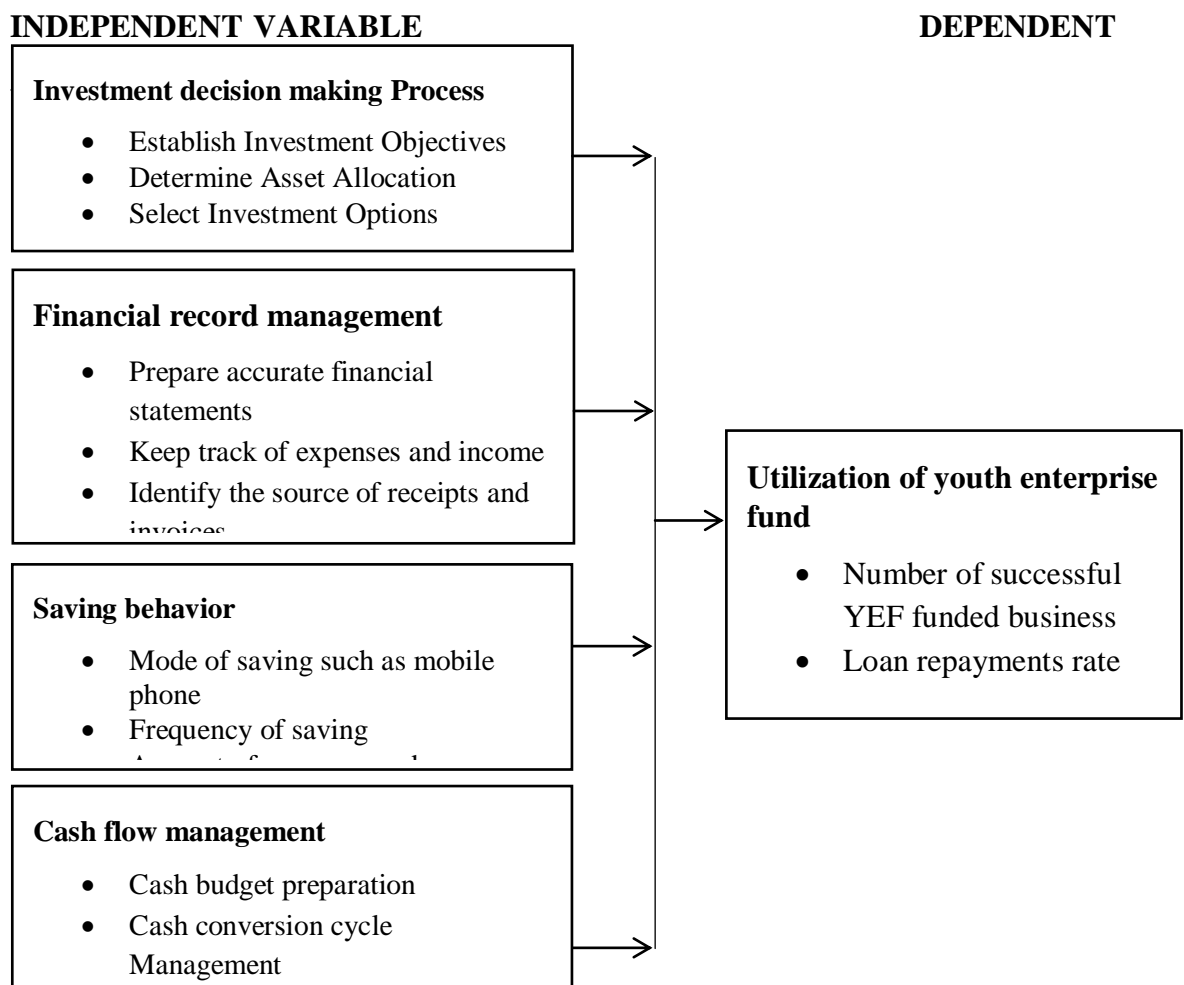


Figure 2.1: Conceptual Framework

CHAPTER THREE

RESEARCH METHODOLOGY

3.1 Introduction

The segment encapsulates detailed information on the study framework, and research techniques to be employed when undertaking the study. The chapter gives detailed information on the target population, sampling methodology, sample size, and the sampling frame, the tools for collecting data, methodology for collecting data, pilot test, and data analysis and ethical considerations.

3.2 Research Design

A research design is a strategy for achieving the research objectives using empirical data (Bloomfield & Fisher, 2019). It guides decisions such as data collection, sampling, and analysis techniques. This study used a descriptive survey study design. According to Orodho & Njeru (2004), this design is suitable for collecting, summarizing, displaying, and analyzing details for clarification purposes. The descriptive research design is a good choice in studies that identify trends, relationships, frequencies and characteristics. It allows the researcher to thoroughly understand research variables as she can describe more than one variable without considering the causals (Bloomfield & Fisher, 2019). This study's design is suitable because it aims to investigate how the independent and dependent variables relate

statistically. The approach was instrumental in subjecting the research sample to a standardized query question set for comparison.

3.3 Target Population

The unit of study was 22 YEDF-funded MSEs in Baringo South Constituency., while the unit of observation was 88 group officials, four fund managers and three youth fund officials. Therefore, the total target population was 95 respondents. Using the power analysis method of sample size determination, a sample size of 88 participants was sufficient for obtaining statistically significant results with a 95% confidence level and a five percent error margin. Four fund managers and three youth fund officials participated in the study because they are the custodians of the information on the utilization of the youth enterprise funding. Group officials, fund manager and youth fund official are well conversant with information on utilization of youth enterprise fund and performance of YEDF-funded MSEs in the Baringo South Constituency. The distribution of the targeted group is indicated in Appendix IV.

3.4 Sampling Techniques and Sampling Frame

In quantitative research, sampling is selecting study units from the population. The study adopted the census technique; in the sampling approach, only representative units are chosen for the study, and data is gathered from them. The aim was to include all intended respondents so the population is manageable. According to Mugenda (2001), a census is a sampling technique where individuals in a target group are surveyed. The sampling frame collects units from which the researcher chooses the sample. This study's sample frame was registered youth groups in Baringo South Constituency eligible for the youth group funds.

3.5 Data Collection Instruments

The study depended on primary data. Questionnaire was utilized to collect primary information. They are any written instruments providing participants with statements or questions to which responses are given in writing or choose from the responses provided (Babbie, 2010). The questionnaire included standardized questions (a list of possible responses is given by the researcher). A multiple-item measurement scale was utilized in constructing the questionnaire.

A five-point Likert scale was used. There are many benefits of using the questionnaire, which tells its use in this report. They include delivery simplicity as well as information processing, data interpretation, question standardization, and cost effectiveness.

3.6 Data Collection Procedure

In an introduction letter, the researcher first requested permission from Kenyatta University to go out and gather data. After receiving authorization, the investigator applied to the National Commission for Science, Technology, and Innovation (NACOSTI) for permission to gather information from respondents. The researcher visited the respondents after receiving both letters. During the initial visit, the researcher notified the youth fund official, who guided the researcher to the youth groups and set up information gathering meeting with them. The investigator met research participants at their respective workplace on the planned dates with the questionnaires for administering. The investigator adopted Drop-Off and Pick-Up later method.

3.7 Pilot Study

The pilot survey is a scaled-down version of the key report. A pilot test was conducted in Koibatek Constituency to determine the efficacy of the data collection instruments. There were nine questionnaires in all, accounting for 10% of the total sample size.

3.8 Validity of Research Instrument

The degree to which study results after evaluation accurately reflect the topic under examination is referred to as validity (Orodho, 2005). The amount to which a measure accurately reflects all social construct features is known as logical validity, or content validity. The study's content validity was enhanced by obtaining expert viewpoint from the discipline, specifically from the supervisor.

3.8.1 Reliability of Research Instrument

Reliability analysis is crucial in error calculation and, if possible, correction making. Questionnaire pre-testing with a select sample that not be used in the main analysis improved the reliability of the study. Cronbach's Alpha was utilized to implement an internal consistency strategy. According to Kothari (2004), a value of 0.70 or higher reliability (obtained on a significant sample) is sufficient as a rule of thumb. Preliminary diagnostic experiments was carried out to determine the parametric statistics suitability (multiple and correlation linear regression). The study's preliminary diagnostic test was multicollinearity tests. Only a multiple linear regression with multiple predictor variables requires this assumption. When the predictor variables are strongly correlated with each other, you have multicollinearity. Variance inflation factor (VIF) and correlation coefficients (correlation matrix) values

are two ways to search for multicollinearity. The predictors are closely correlated if they are multicollinear. In the utilization of VIF values, they have to be less than 10.00, for optimal results VI should be less than 5.00. VIF values was used to assess multicollinearity in this analysis.

3.9 Data Analysis

The data gathered in this study was qualitative and quantitative. Data analysis was done using the Statistical Package for the Social Sciences, (SPSS) version 24. In this analysis, descriptive and inferential statistics was utilized. Percentages, frequencies, mean, and standard deviation were some descriptive statistics. The correlation analysis utilized in determining the affiliation nature between variables at a commonly accepted traditional meaningful level of P 0.05 is an inferential statistic (Gall, Borg & Gall, 2013). In addition, multiple regression analysis would be used in investigating the correlation in a number of independent variables and a single dependent variable. The multivariate regression model will be;

$$Y = \beta_0 + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + \beta_4 X_4 + \varepsilon$$

Where; Y =utilization of youth enterprise development fund, β_0 = constant term, β_1 , β_2 , β_3 and β_4 = beta coefficients, X_1 = investment decision process, X_2 = financial record management, X_3 = saving behaviour and X_4 = cash flow management

3.10 Diagnostic Test

Preliminary diagnostic tests were carried out to discover the applicability of parametric tests, including multiple linear regression and correlation. Normality, linearity, and multicollinearity tests are among the preliminary diagnostic tests. Correlational tests used Pearson's correlation analysis to statistically asses the link

between study variables. To ensure the validity of the finding, the study ensured that no outlier was present to distort the results. Normality tests were used to ensure that the data collected was normally distributed. The Shapiro-Wilk test p-value was used to check that the results followed a normal curve, and a threshold value of 0.005 was used to evaluate normality.

3.11 Ethical Consideration

Before the data collection process begins, participants were informed of their safety and privacy, and the research's purpose was communicated to them. The participants were adequately informed on the objectives of the study and were required to sign a written consent form before participating. Participation was voluntary; participants were given ample time to review the study requirement before deciding whether to participate. Confidentiality was also a significant consideration; it ensured that the participant's personal information and identity would not be disclosed outside the study's confines. For confidentiality of the collected information, the responses were kept anonymous. Any information that identified the study participants were omitted; instead, numbers were used to prevent the traceability of the participants. The study's goal was strictly scholarly; the participants were guaranteed that the knowledge they disseminated would not be used against them.

CHAPTER FOUR

RESEARCH FINDINGS AND DISCUSSION

4.1 Introduction

The chapter entails the study data, the data analysis and a discussion of the results. This research aimed to evaluate the association between financial management abilities and youth entrepreneurship funding in Baringo South, Kenya. Correlation and regression analysis was done to evaluate on the effect of investment decision making, financial record keeping, saving behavior, and cash flow management on utilization of YEDF in Baringo South Constituency, Baringo County. The findings are presenter in tables and summaries to illustrate the relationship between the study variables.

4.2 Response Rate

Response rate is number of completed surveys divided by total sample size (Fowler, 2014). The research used 95 questionnaires. 87 questionnaires were returned. It was 92% overall. Babbie (2015) considers a 70% response rate appropriate for analysis implying that the study's response rate was satisfactory.

Table 4.1: Response Rate

Target No. of respondents	No. of Questionnaires Returned	Response Rate (%)
95	87	92%

4.3 Back ground information

4.3.1 Group sizes

The sampled youth groups were categorized based the number of members per group. They were composed as follows: 29% of respondents have 1-20 group members, 24% have 11-20, 17% have 21-50, 20% have 50-100, and 10% have more than 100. This implies that more than half of the groups were had less than 20 members. The average group size was found to have 18 members.

4.3.2 Duration the Group has been in Existence

The sampled groups were categorized depending on the period that they had been in existence. From the findings 46% of respondents said their organization has existed between 1-3 years, 29% between 4-7 years, 17% between 8-10 years, and 8% for more than 10 years. The mean duration of existence of the sampled groups was 3.6 years.

4.3.3 Whether the Group has ever applied for Loans

The sampled youth groups were categorized based on whether or not they had applied for loans. From the findings 94% of group members said their organization had sought for loans, while 6% said it had not. Most organizations have sought for financing.

4.3.4 Whether the Loan was Successful

The study further sought to establish whether the loan applications were successful. From the findings 69% of groups reported that the loan was successful, while 28%

said it was not. Most loan applications were approved. The youth groups that had successfully applied formed an excellent study case as they enabled the evaluation of the utilization of youth funding.

4.4 Investment Decision Making Process and Utilization of Youth Enterprise Fund

First, the research aimed to evaluate the association between investment decision making and utilization of YEDF in Baringo South Constituency, Kenya. Table 4.6 displays the findings

Table 4.2: 1 Investment Decision Making Process and Utilization of Youth**Enterprise Fund**

Investment Decision Making Process	SA	A	N	D	SD	N	Mean	Std
The group engages a professional to determine the viability of an investment decision	46%	44%	4%	6%	0%	87	4.64	0.314
All the group members are actively involved in determining the investment objectives	43%	52%	2%	3%	0%	87	4.52	0.465
Group members conduct financial analysis to determine the viability of an investment	41%	52%	2%	5%	0%	87	4.46	0.567
The group members assess the amount of finances required before making their investment decision	47%	36%	7%	10%	0%	87	4.57	0.341
The group mostly make investment decision based on duration the business will take to break even	52%	33%	4%		2%	87	4.59	0.343
The amount of money received from the YEDF determines the investment decision the group make.	58%	33%	1%	0%	0%	87	4.46	0.531

Ninety percent of respondents agreed that the enterprises use a professional to evaluate investment decisions, with a mean of 4.64 and std dev of 0.314. 95% of respondents agreed that all group members actively choose investing goals, with a mean of 4.52 and std dev = 0.465. 93% of respondents agreed that group members perform financial analysis to assess investment feasibility (mean 4.46, std dev = 0.567). Most respondents (80%) agreed that group members analyze finances before making investment decisions, with a mean of 4.57 and std dev = 0.341. In addition, 85% of respondents agreed that the organization makes investment decisions based on break-even length, with a mean of 4.59 and std dev = 0.343. Most respondents (91%) said the YEDF money impacts the group's investment choice, with a mean of 4.46 and std dev = 0.531. Basu (2015) discovered that the amount of money a bank is ready to give a firm determines its investment. Savings allow for additional investment. Banks may lend more with big deposits. If savings drop, less money can be invested

4.4.1 Financial record management and Utilization of Youth Enterprise Fund

The research aimed to examine the association between financial record keeping and utilization of YEDF in Baringo South Constituency, Kenya. Table 4.6 displays the findings.

Table 4.3: Financial record management and Utilization of Youth Enterprise**Fund**

Financial record management	SA	A	N	D	SD	N	Mean	Std
In cases where the group members are unable to do financial records it outsources services to assist in financial record management	47%	43%	2%	8%	0%	87	4.22	0.353
The group keeps all the records of all the incomes and expenses to determine whether the business is making profit or losses	56%	34%	3%	7%	0%	87	4.56	0.321
The group is able to determine the growth rate of the business	41%	47%	7%	4%	0%	87	2.20	1.132
The group keeps cash flow statement which helps to determine the viability and liquidity of the business	59%	31%	3%	7%	0%	87	4.52	0.314
Financial record management keeps and update group members on investment records.	48%	48%	2%	2%	0%	87	4.26	0.315
Financial record keeping helps the group to determine the profit on sale of a product.	43%	37%	9%	4%	7%	87	4.34	0.453

Ninety percent of respondents agreed that when group members could not keep financial records, these groups outsource services professionals to aid in financial record management (mean 4.22, std dev 0.353). Most respondents (90%) agreed that the organization maintains track of all earnings and costs to assess whether the firm is profitable, with a mean of 4.56 and std dev = 0.321. The research agrees with Nagy and Obenberger (2016), who concluded that an income statement and spending statement helps company owners determine whether they can increase revenues, decrease expenses, or both. It also demonstrates the efficacy of the company's first tactics. This paper may help company owners evaluate their plans. Their analysis helps them find profitable solutions. In addition, 88% of respondents agreed that the group can decide the business's growth rate with a mean of 2.20 and std dev = 1.132.

Most respondents (90%) agreed that the organization records a cash flow statement, which helps establish the business's viability and liquidity (mean = 4.52, std dev = 0.314). Obamuyi (2015) says a cash flow statement helps a firm identify how much it makes and spends. They evaluate the statement to see whether a firm is healthy or in peril. Most respondents (96%) agreed that financial record management retains and updates group members on investment records (mean 4.26, std dev = 0.315). Most respondents (80%) agreed that financial record keeping helps the group assess a product's profit, with a mean of 4.04 and std dev = 0.453. These findings are consistent with those of Tabassum, Sultana, and Pardhasaradhi (2012), who discovered that financial record keeping is a vital aspect of company development and sustainability since it shows whether the firm is progressing positively or not.

4.4.2. Saving Behavior and Utilization of Youth Enterprise Fund

The research intended to demonstrate a link between saving behavior and youth enterprise fund utilization in Baringo South Constituency, Baringo County. Table 4.8 displays the findings

Table 4.4: Saving Behavior and Utilization of Youth Enterprise Fund

Saving Behavior	SA	A	N	D	SD	N	Mean	Std
The group have a saving culture which demand the group to save some money	52%	38%	8%	0%	2%	87	4.48	0.434
The group has sets some saving goals by choosing a project to save for and knowing how much money the project will cost.	49%	31%	8%	6%	6%	87	4.62	0.323
The group has savings accounts which help the group members to attain their financial targets	51%	44%	1%	4%	0%	87	4.40	0.314
The group is able to maintain it saving target	39%	30%	12%	16%	3%	87	4.32	0.472
The group have automatic saving plan which increases the utilization of the funds.	52%	38%	1%	9%	0%	87	4.42	0.345

Ninety percent of respondents agreed the enterprises had a saving culture, with a mean of 4.28 and std of 0.534. In addition, 80% of respondents agreed that the group had established some saving objectives by picking a project to save for and understanding how much it would cost, with a mean of 4.62 and std dev = 0.323. The research aligns with Godfred & Bokpin (2013), who discovered that for a company endeavor to have an efficient saving strategy, they need define the kind of project they wish to invest in. Setting short-, mid-, and long-term financial objectives helps save money. Furthermore 95% of respondents agreed that the group had savings accounts, with a mean of 4.40 and std dev = 0.764. The organization can sustain its savings objective with a mean of 2.32 and std dev = 0.472, according to 69% of respondents. Unlike a current account, a savings bank generates interest, according to Andreas and Wald (2017). A savings account balance can boost income. Some banks give greater interest rates for holding a bigger amount, while others offer sweep in, which helps produce more interest income. Having savings accounts helps businesses achieve their financial goals. 95% of respondents agreed that the organization had an automated savings strategy, which boosts fund use by 4.42 and 0.745. According to Rodrigo and Verdi (2013), an automated saving plan helps businesses successfully manage their resources by making it simpler to stick to a personal budget. It's harder to overspend and dip into savings when they're routinely removed from bank accounts.

4.4.3 Cash flow management and Utilization of Youth Enterprise Fund

The research looked at the relationship between cash flow management and youth enterprise fund utilization in Baringo South Constituency, Baringo County. Table 4.9 displays the findings.

Table 4. 5 Cash flow management and Utilization of Youth Enterprise Fund

Cash Flow Administration	SA	A	N	D	SD	N	Mean	Std.
	(%)	(%)	(%)	(%)	(%)			
The cash budget enables the company to determine how much credit it can give to consumers without running out of cash.	58	24	8	4	6	87	4.177	0.442
The group maintains a monetary budget, which enables them avoid running out of funds throughout periods when they have a lot of expenses.	40	48	4	8	0	87	3.984	0.632
Cash budget help the group in taking good decisions in regard to the group cash reserve for future.	50	34	8	4	4	87	4.145	0.421
The group manages their cash conversion cycle by maximizing the time it takes to pay a supplier, giving one more time to put your cash to good use.	54	36	2	5	3	87	4.563	0.398
The group has a shorter cash conversion cycle which helps them to monitor their stock levels	48	40	3	5	4	87	4.181	0.413

frequently.

The group asks the customer to 54 31 7 4 4 87 4.234 0.513
make deposit payments at the time
orders are taken which improves
their cash flow

From the findings cash budget allows the firm to calculate how much credit it can issue to customers without running out of cash, according to 82% of respondents (mean 4.177, std dev 0.442). In addition, 88% of respondents stated that the organization keeps a budget, which helps them prevent running out of finances during high-expense times (mean = 3.984, std dev = 0.632). 84% of respondents felt that financial budgets help the organization make sound choices about future cash reserves (mean 4.145, std dev = 0.421). Davis and Leila (2018) concluded that a cash budget is needed to determine whether a firm has adequate cash to maintain operations. It shows a company's likely revenue or deficit for a time, which it must address by boosting sales or reducing expenses. It identifies future funding requirements, highlights remedial measures, and evaluates corporate performance.

Most respondents (90%) agreed that the organization optimizes their cash conversion cycle by maximizing the time it takes to pay a supplier, giving you more time to utilize your cash (mean = 4.563, std dev = 0.398). Most respondents (88%) agreed that the organization had a shorter cash conversion cycle, which helps them manage stock levels with a mean of 4.181 and std dev = 0.413. The majority of respondents (85%) agreed that the organization asks customers for deposits when orders are accepted, which boosts their cash flow by 4.177 and 0.442. Geetha and Vimala (2014) observed that cash inflows occur when consumers pay cash and accounts receivable

are converted to cash. Taking longer to pay debtors or accounts payable raises a company's cash on hand.

4.4.4 Utilization of Youth Enterprise Fund

Respondents were questioned about YEDF utilization in Baringo South, Kenya. Table 4.10 displays the findings.

Table 4. 6: Utilization of Youth Enterprise Fund

Utilization of Youth Enterprise	SA	A	N	D	SD	N	Mean	Std.
The group is in a position to pay all their debtor	64	29	2	5	0	87	4.403	0.478
Our business has experience a gradual growth in profit	54	30	8	5	3	87	4.307	0.438
Group members and our customers are satisfied with the projects we deliver.	38	38	4	11	9	87	4.145	0.307
We pay our loan within the due period	43	34	7	5	11	87	4.387	0.469
The number of successful YEDF funded MSEs have increased over the years	60	32	5	3	0	87	4.489	0.456
The interest per month on loan earns and the repayment period is	47	38	5	7	3	87	4.307	0.478

convenient to the group

The study examined how young teams in Baringo South, Kenya, used youth entrepreneurship funds. 93% of respondents felt the organization can pay all debtors, with a mean of 4.403 and standard deviation of 0.478. 84% of respondents strongly agreed that the firm has enjoyed moderate profit development (mean score: 4.307, standard deviation: 0.438). The survey also looked at group member and customer satisfaction with our projects. 76% of respondents agreed, with a mean of 4.145 and standard deviation of 0.307. The research also examined whether the group paid their loan on time. 77% of participants agreed, with a mean of 4.387 and SD of 0.469. According to Statman (2014), repaying a loan on time increases a business's credit score, making it easier to get financing in the future.

In addition, 92% of respondents agreed that the number of successful YEDF-funded MSEs has grown over time (mean score: 4.489, standard deviation: 0.456). 85% of respondents felt that loan interest and payback duration are convenient, with a mean of 4.307 and Std of 0.478. The respondents' dispersion from the mean varied from 0.731 to 0.869 standard deviations. Zhao et al (2016). Many debts are repaid over time with installments. These payments include interest on the unpaid loan sum and a percentage of the debt. Monthly loan payments are typical. Monthly payments to the lender. The group likes the monthly loan interest and payback term

4.5 Correlation Analysis

The study used correlation analysis to determine the type and degree of relationship between the study's independent and dependent variables.

Table 4.7: Correlation between Investment Decision Making Process and Utilization of Youth Enterprise Fund

		Investment Decision Making Process
Utilization of Youth Enterprise Fund	Pearson Correlation	.741 *
	Sig. (2-tailed)	.027
	N	87

*. Correlation is significant at the 0.05 level (2-tailed).

The research found a strong positive and significant link ($r = .741$, $P = 0.027$) between investment decision making and YEDF utilization among youth teams in Baringo South Constituency, Kenya. The results suggest that investment decision making have influence the business fund use in Baringo South Constituency, Kenya. Veld-Merkoulova (2014) observed that the efficient allocation of available funds is crucial. Poor investment decisions may be detrimental to the performance of youth groups and may thwart a group's ability to repay the YEDF.

Table 4.8: Correlation between financial record management and Utilization of Youth Business Fund

		Financial Record Management
Utilization of Youth Enterprise Fund	Pearson Correlation	.619*
	Sig. (2-tailed)	.023
	N	87

*. Correlation is significant at the 0.05 level (2-tailed).

A strong positive and significant relationship between financial record management and youth enterprise fund use ($r=0.619$ and $P=0.023$) is evident in the Pearson's correlation matrix. Financial record management has a positive relationship youth business fund use in Baringo South Constituency, Kenya. These findings agree with studies by; Muchira, 2015, Assah and Mbroh 2016, and Mugambe and Mwebesa (2018); these studies established that development groups that maintained financial records effectively utilized their funds and performed better than their counterparts.

Table 4.9: Correlation between Saving Behavior and Utilization of Youth Enterprises Fund

		Saving Behavior
Utilization of Youth Enterprises Fund	Pearson Correlation	.897*
	Sig. (2-tailed)	.018
N		87

*. Correlation is significant at the 0.05 level (2-tailed).

The correlation coefficient shows positive, and significant association between saving behavior and YEDF utilization in Baringo South Constituency, Baringo County ($r=0.897$, $P=0.018$). The findings agree with Kent (2015), who showed that having a savings account immediately boosts money use. Kent's study established saving skills strongly linked proper utilization of loans and wealth outcomes. This implies that saving behavior significantly affects the performance of youth development groups. Humaira and Ullah (2017) also linked high financial literacy to saving habits in households, they recommended saving habits for the achievement of short term and long-term financial goals.

Table 4.10: Correlation between cash flow management and Utilization of Youth Enterprises

		Cash Flow Management
Utilization of Youth		.304*
Enterprises	Sig. (2-tailed)	.013
	N	87

*. Correlation is significant at the 0.05 level (2-tailed).

The correlation study demonstrated a moderate, positive, and significant link ($r=0.304$, $P=0.013$) between cash flow management and youth business fund use in Baringo South Constituency, Kenya. This indicates that cash flow management affects youth group funding in Baringo South, Kenya. Cash is a vital current asset that must be carefully managed for optimal balance for corporate operations to function effectively (Festus, 2015). Cash flow management provides a means for tracking finances available to the group and outgoings. If cash management is optimized in business initiatives and all other factors stay hopeful, the firm will expand and represent the public as planned, resulting in higher profitability and greater loan repayment capabilities. Cash flow management therefore affects youth entrepreneurship funding.

4.6 Regression Analysis

4.6.1 Regression Model Summary

Table 4.11: Regression Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.898 ^a	.806	.799	.28594

a. **Predictors:** (Constant), Investment Decision Process, Financial Record Management Saving Behavior and Cash Flow Management.

b. **Dependent Variable:** Utilization of Youth Enterprise Fund.

Table 4.19 shows the study's regression analysis of independent and dependent variables. According to the findings, YEDF use in Baringo South Constituency is 80.6% as described by the research's independent variables, with the remaining 19.4% of the variance results from factors that were not taken into account.

4.6.2 ANOVA of the Regression Model

Table 4.12: ANOVA of the Regression Model

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	28.830	4	7.208	84.8	.000 ^b
	Residual	6.950	82	.085		
	Total	35.780	86			

a. **Predictors:** (Constant), Investment Decision Process, Financial Record Management, Saving Behaviour and Cash Flow Management

b. **Dependent Variable:** Utilization of Youth Business Funds among youth groups in Baringo South constituency, Kenya

In Table 4.20 of the ANOVA table, $F = 84.800$. Since $f > f$ statistic, the model is statistically significant. It is definite evidence that the regression's results are statistically significant, and the results' slight fluctuation is insignificant, therefore a change in the study units (population) and model did not affect the data considerably.

4.6.3 Multiple Regression Coefficients

Table 4. 13: Regression Coefficients

Model	Unstandardized		Standardized		Sig.
	Coefficients		Coefficients		
	B	Std. Error	Beta	t	
1 (Constant)	.593	.147		4.035	.000
Investment Decision	.098	.040	.125	2.482	.005
Financial record management	.560	.076	.685	7.344	.000
Savings Behavior	.151	.072	.191	2.095	.009
Cash Flow Management	.173	.117	.317	1.4786	.045

Dependent Variable: Utilization of Youth Enterprise Fund

From Table 4.21, the following equation was solved by Unstandardized Coefficients where all of which were statistically significant (Sig. 0.05). All research predictor factors are positively correlated with YEDF utilization as summarized in the equation below:

$$\text{Utilization of YEDF} = 0.593 + 0.098 (\text{Investment Decision}) + 0.560 (\text{Financial Record Management}) + 0.151 (\text{Saving Behavior}) + 0.173 (\text{Cashflow Management})$$

Without predictor factors, YEDF utilization is 2.026. This means that, keeping all the independent variables of the study at zero, youth groups in Baringo South Constituency, Baringo County, Kenya will utilize 0.593 of the YEDF. A unit change in the investment decision-making process would result in 0.098 times rise in YEDF utilization. A unit increment in financial record management would result in 0.560 times rise in YEDF utilization. A unit increment in saving habits results in a 0.151 rise in the utilization of YEDF. Lastly, a unit increase in cash flow management results in a 0.173 increase in utilization of YEDF.

The study established that the four independent variables have a significant and positive correlation with the utilization of YDEF in Baringo South Constituency, Baringo County, Kenya. Financial record management was found to have the most significant impact, with a coefficient of 0.560. This implies that youth groups keep accurate financial statements and keep track of receipts and invoices and are better placed to utilize youth enterprise development funds. The finding converge well with other studies that examined the links between financial record management and the financial performance of business enterprises (Muchira, 2015; Assah & Mbroh, 2016; and Mugambe and Mwebesa, 2018). Cash flow management was found to be the

second most statistically significant variable. This result agrees well with a study by Festus, 2015 who observed that cashflow management is vital for the optimal performance of youth groups.

Saving behavior was found to have a positive and significant relationship with using YEDF with a coefficient of 0.151. Saving behaviors affect a group's ability to achieve financial goals. These findings relate to those of Humaira and Ullah (2017), who established that saving behavior greatly influenced the utilization of funds in households. Investment decisions also had a positive and significant relationship with using YEDF. Like a study by Veld-Merkoulova (2014), this finding stresses the importance of investment decisions in the performance of youth development

CHAPTER FIVE

SUMMARY, CONCLUSIONS AND RECOMMENDATIONS

5.1 Introduction

This chapter summarizes the findings discussed in the previous chapter, from which the conclusions and recommendations are made. Finally, it gives policy recommendations and suggestions for future research areas.

5.2 Summary of Findings

5.2.1 Investment Decision Making Process and Utilization of Youth Enterprise Fund

The research indicated that only a small percentage of enterprises sought expert opinion when examining the feasibility of an investment option. All group members are engaged in defining investment goals. The research also indicated that group members do financial analysis to assess investment feasibility. The research also found that group members analyze the money needed before investing. The study established a positive and significant correlation between investment decision-making and the utilization of the YEDF in Baringo South Constituency, Baringo County, Kenya.

5.2.2 Financial Record Management and Utilization of Youth Enterprise Fund

Most youth enterprises kept financial records, and those that could not keep the records outsourced the services. The groups used the financial records to track the income and revenue and assess the profitability of the business ventures. The study

established a positive correlation between financial record management and the utilization of the YEDF in Baringo South Constituency, Baringo County, Kenya.

5.2.3 Saving Behavior and Utilization of Youth Enterprise Fund

The research indicated that most groups had a saving culture that demanded they save money. The survey also indicated that the group had established some saving objectives by picking a project to save towards and knowing how much it would cost. The survey also indicated that the club offers savings accounts to assist members in reaching their financial goals. The study established a positive and significant relationship between saving behavior and the utilization of YEDF in Baringo South Constituency, Baringo County Kenya.

5.2.4 Cash Flow Management and Utilization of Youth Enterprise Fund

The research indicated that the cash budget allows the corporation to assess how much credit it can issue clients without running out of cash. The research also indicated that the groups set budgets, which helped them avoid running out of money during high-cost times. The research also found that cash budget helped groups make appropriate judgments about future financial reserves. The analysis indicated that the organization optimizes their cash conversion cycle by increasing the time it takes to pay a supplier, giving them more time to utilize its cash. The study established a positive and significant relationship between cash flow management and the utilization of YEDF in Baringo South Constituency, Baringo County, Kenya.

5.3 Conclusions of the Study

5.3.1 Investment Decision Making Process and Utilization of Youth Enterprise Fund

The findings and comparison with empirical studies show that the investment decision-making process positively correlates with the utilization of then YEDF. This implies a need to intensify training programs designed to equip youth enterprises with investment decision-making knowledge. In addition, groups should be encouraged to seek expert opinions before making major investment decisions. Investment decisions must be informed by objective project evaluation to increase their likelihood of success.

5.3.2 Financial Record Management and Utilization of Youth Enterprise Fund

The study established a positive and significant association between financial documentation administration and youth business funds utilization among enterprises in Baringo South Constituency, Baringo County, Kenya ($r=0.619$ and $P=0.023$). Financial record keeping helps the organization calculate product sales profit. It follows that the accurate keeping of financial records is vital for successfully running youth groups. Youth groups should take into account prudence in the management of financial records.

5.3.3 Saving Behavior and Utilization of Youth Enterprise Fund

The study results suggested a strong, positive, and significant association between saving behavior and utilization of youth entrepreneurship funds among Baringo South Constituency and Baringo County youth groups. A saving culture should thus be

encouraged among youth enterprises to ensure that they can achieve their short-term and long-term financial goals. Savings accounts are essential as they allow youth enterprises to fall back when unexpected financial interruptions occur.

5.3.4 Cash Flow Management and Utilization of Youth Enterprise Fund

The correlation study also demonstrated a moderate, positive, and significant association ($r=0.304$, $P=0.013$) between cash flow administration and youth entrepreneurs' fund use. It highlights the importance of the prudent management of working capital. This ensures that youth enterprises avoid challenges arising from liquidity that may affect day-to-day operations. It follows that there is a need for sensitization of youth enterprises on issues regarding cash flow management.

5.4 Recommendations of the Study

The study makes the following recommendations based on its findings.

Firstly, youth enterprises should undertake financial research to establish the viability of an investment. Youth groups must be trained and equipped with investment skills and analysis to conduct investment analysis and develop viable business projects to invest in. Since group members estimate the amount of resources necessary before investing, the research recommends that youth groups understand the cost of a project before investing. A company must invest a large sum to benefit from an investment choice. This choice is critical since corporations have limited money and significant demands for cash. Every business must plan its investment procedure and regulate its expenses.

Secondly, regarding financial record management, youth organizations should receive expert training on how to maintain tangible documents including financial statements,

audit books, and sales and purchase reports. This can show whether the business is growing at a positive rate. It gives a window of genuine verification that helps young groups to uncover loopholes and establish market-oriented business practices. It increases the chance of company success.

Thirdly, regarding saving behavior, the study recommends that youth groups maintain distinct saving accounts to assist them in organizing their money. Giving them a clear image of their savings, a savings account may assist youth groups in understanding their financial situation and preparing for investments. Youth groups may utilize savings accounts to keep their money secure while they find investment possibilities.

Fourth, on cash flow management, youth enterprises should formulate policies to facilitate effective cash flow management. Since a cash flow statement depicts the movement of money in and out of a company, the study suggested that youth organizations preserve cash flow statements to help investors and shareholders understand how much money the firm produces and spends. They evaluate the statement to see whether a company's business is financially sound or heading for catastrophe. So it is crucial for youth organizations to preserve financial flow statements.

5.5 Suggestions for Further Studies

The study proposed more studies on financial management skills using government financial kits such as Uwezo funds, Women Enterprise Development funds, and National Government Affirmative Action Fund. The report also recommends focusing on cash management, cash conversion cycle, and financial use in Small and Medium Enterprises.

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APPENDICES

Appendix I: Research Questionnaire

I am an MBA (Finance Option) student at Kenyatta University. The aim of this Questionnaire is to gather information on relationship between financial management and utilization of youth enterprise development fund among youth groups in Baringo South Constituency, Kenya. The data gathered for this study will be utilized solely for academic reasons and will be confidential.

Section A: Group Profile

1. What is the number of your group members?

1-20 []

11-20 []

21-50 []

50-100 []

More than 100 []

2. How long have the group been in existence

Less than 1 Years []

1-3 Years []

4-7 Years []

8-10 Years []

More than 10 Years []

3. Have your group ever applied for loans?

Yes []

No []

4. If yes was the loan successful?

Yes []

No []

Section B: Investment decision making process

In a scale of 1-5 indicate the level of agreement on the relationship between investment decision making process and utilization of youth enterprise fund among youth groups. (1 = Strongly Disagree, 2 = Disagree, 3 = Undecided, 4 =Agree, 5 = Strongly Agree)

	Investment decision making process	1	2	3	4	5
1	The group engages a professional to determine the viability of an investment decision					
2	All the group members are actively involved in determining the investment objectives					
3	Group members conduct financial analysis to determine the viability of an investment					
4	The group members assess the amount of finances required before making their investment decision					
5	The group mostly make investment decision based on duration the business will take to break even					

6	The amount of money received from the YEDF determines the investment decision the group make					
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Section C: Financial record management

In a scale of 1-5 indicate the level of agreement on the relationship between financial record management and utilization of youth enterprise fund among youth groups. (1 = Strongly Disagree, 2 = Disagree, 3 = Undecided, 4 =Agree, 5 = Strongly Agree)

	Financial Record Management	1	2	3	4	5
1	In cases where the group members are unable to do financial records it outsources services to assist in financial record management					
2	The group keeps all the records of all the incomes and expenses to determine whether the business is making profit or losses					
3	The group is able to determine the growth rate of the business from its					
4	The group keeps cash flow statement which helps to determine the viability and liquidity of the business					
5	Financial record management keeps and update group members on investment records.					
6	Financial record keeping helps the group to determine the profit on sale of a product.					

Section D: Saving Behaviors

In a scale of 1-5 indicate the level of agreement on the relationship between saving behavior and utilization of youth enterprise fund among youth groups (1 = Strongly Disagree, 2 = Disagree, 3 = Undecided, 4 = Agree, 5 = Strongly Agree)

	Saving Behaviors	1	2	3	4	5
1	The group have a saving culture which demand the group to save some money					
2	The group has sets some saving goals by choosing a project to save for and knowing how much money the project will cost.					
3	The group has savings accounts which help the group members to attain their financial targets					
4	The group is able to maintain it saving target					
5	The group have automatic saving plan which increases the utilization of the funds.					

Section E: Cash Flow Management

In a scale of 1-5 indicate the level of agreement on the relationship between cash flow management and utilization of youth enterprise fund among youth groups (1 = Strongly Disagree, 2 = Disagree, 3 = Undecided, 4 = Agree, 5 = Strongly Agree)

	Cash Flow Management	1	2	3	4	5
1	The cash budget enables the company to determine how much credit it can give to consumers without running out of cash.					
2	The group maintains a monetary budget, which enables them					

	avoid running out of funds throughout periods when they have a lot of expenses.					
3	Cash budget help the group in taking good decisions in regard to the group cash reserve for future.					
4	The group manages their cash conversion cycle by maximizing the time it takes to pay a supplier, giving one more time to put your cash to good use.					
5	The group has a shorter cash conversion cycle which helps them to monitor their stock levels frequently.					
6	The group asks the customer to make deposit payments at the time orders are taken which improves their cash flow					

Section F: Utilization of Youth Enterprise Fund

In a scale of 1-5 indicate the level of agreement on the level of utilization of youth enterprise fund and the enterprise growth of the youth groups. (1 = Strongly Disagree, 2 = Disagree, 3 = Undecided, 4 = Agree, 5 = Strongly Agree)

	Utilization of the Youth Funds	1	2	3	4	5
1	The group is in a position to pay all their debtor					
2	Our business has experience a gradual growth in profit					
3	Group members and our customers are satisfied with the projects we deliver.					

4	We pay our loan within the due period					
5	The number of successful YEDF funded MSEs have increased over the years					
6	The interest per month on loan earns and the repayment period is convenient to the group					

Appendix II: Study Data

Table 4.14: Number of members in sampled groups

No. of Groups members	Frequency	Percentage
1-10 members	25	29
11-20 members	21	24
21-50 members	15	17
50-100 members	17	20
More than 100	9	10
Total	87	100

Table 4.15: The duration which the sampled groups have been in existence

Age	Frequency	Percentage
Less than 1 Year	0	0
1- 3 Years	24	46
4- 7 Years	15	29
8-10 Years	9	17
More than 10 Years	4	8
Total	87	100

Table 4.16: Whether the Group has ever applied for Loans

	Frequency	Percentage
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Yes	84	94
No.	3	6
Total	87	100

Table 4.17: Whether the Loan was Successful

	Frequency	Percentage
Yes	69	79
No	18	20
Total	87	100

Appendix III: Work Plan

Time	JANUARY- MARCH 2021			APRIL 2021- JUNE 2021			JULY 2021 - JANUARY 2022			FEBRUARY 2022- MARCH 2023		
Concept paper												
writing Chapter one												
Writing literature review												
Research methodology												
Submission and Defense of research proposal & Proposal Corrections and amendments												
Data Collection												
Data Analysis and Publication												

Appendix IV: Budget

Stage	Item	Quantity	Cost per unit	Total cost
Proposal development	Duplicating papers files	10 reams	500	5000
	Biro pens	5 pcs	50	250
	Stapler	6pcs	20	120
	Stapler pins	7 pc	50	350
	White out	1pkts	100	100
	Flash disk hp	1	1800	1800
	Lap top	1 pc	65000	65000
	Typing, typesetting and printing		8100	8100
	Photocopies'		3000	3000
	Binding of proposal	6	50	300
	Travel and lunch		7000	7000
Data collections	Designing of research typing		8500	8500
	Printing Photocopies		5000	5000
	Travel areas/librarian		15,000	15,000

	Lunch		5000	5000
	Research Assistant		20,000	20,000
Data analysis	Typing and typesetting		8000	8000
	Photocopy		5000	5000
Project writing	Typing, typesetting and photocopies	10 copies	600	6000
	Binding	10 copies	600	6000
		10 copies	600	6000
		10 copies	600	6000
Total				181,520

Appendix V: List of Youth Group

Target Population

Youth Fund Groups	Group officials
Sunrise Youth groups	4
Sidtec Youth Group	4
Mayian Youth Group	4
Global light youth groups	4
Pioneers youth group	4
Rabom youth groups	4
Sakimes youth group	4
Agabi youth groups	4
Umoja youth groups	4
K-Young youth groups	4
Ningo youth groups	4
Ruth youth groups	4
Asdiza youth group	4
Kimuche youth groups	4
Kapkoros youth group	4
Maringwo youth groups	4
Warwa youth groups	4

Twaweza youth groups	4
The Oliuls	4
Kamogo Women group	4
Keyungaa youth group	4
Imani youth group	4
Total	88

Source: Youth Enterprise Development Fund (Baringo South Constituency) 2020