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ANALYSIS OF BOOKKEEPING PRACTICES AND ITS IMPACTS ON THE GROWTH OF MICRO AND SMALL ENTERPRISES IN CENTRAL VISAYAS, PHILIPPINES

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ABSTRACT

Micro and small enterprise plays a vital role in the Philippine economy as they almost cover all of the businesses in the country. On the other hand, bookkeeping is a vital tool to generate valuable information in decision-making. The study aimed to determine the extent of bookkeeping practices and its effects on the growth of micro and small enterprises in Lapu-Lapu City. This study utilized a descriptive research design using a quantitative approach. The data collection was done through a research-constructed survey questionnaire. The convenience sampling method was used to determine 50 micro and small enterprises as respondents. The data were analyzed and interpreted using frequency and percentage distribution for the profile variables, weighted arithmetic mean for implementation, and impact of bookkeeping. Chi-square was used to test the significant relationships among the variables. Most of the respondents are engaged in merchandising business funded through personal funds and have operated the business for less than three (3) years. The respondents have basic bookkeeping knowledge and prefer to do it independently using the manual method of record-keeping. Bookkeeping practices were practiced moderately in the micro and small enterprises. However, results showed that bookkeeping has a high impact on the growth of the business. The study further revealed



a significant relationship between the level of implementation of bookkeeping and the growth of micro and small enterprises in the locale. This study concludes that the bookkeeping practices of the micro and small enterprises in Lapu-Lapu City have a direct relationship towards the growth of the enterprise. Thus, it is important to enhance the owner's knowledge about implementing correct bookkeeping practices in the enterprise. Consequently, training-seminar about bookkeeping must be conducted for these owners to grasp additional and valuable knowledge on bookkeeping and strengthen their skills on bookkeeping as their tool in decision-making, managing, and operating the business.

KEYWORDS: Microenterprise, small enterprise, bookkeeping practices, growth, non-experimental descriptive-correlation, Lapu-Lapu City, Philippines.

INTRODUCTION

Bookkeeping is the recording of financial transactions in businesses and other organizations as part of the accounting process. Preparing source documents for all business transactions usually takes part of it. Bookkeeping is essential to the growth of a business, no matter the size because it allows the organization or the business owner to keep track of its financial performance and stability. Managing and expanding a business requires proper bookkeeping. However, many entrepreneurs and business owners do not take bookkeeping seriously, leaving it at the bottom of their priority list (Moore, 2015). The majority of micro and small businesses fail due to poor management; owners may have sales abilities but struggle to manage the business as a whole.

Furthermore, Maseko and Manyani (2011) study showed that most SME owners in Zimbabwe lacked accounting knowledge and the ability to hire an accountant. Also, in the survey of Lightspeed (2021), 47 percent of small business owners hate bookkeeping costs. Schaefer (2020) added that poor management is the number one factor for business failure in small businesses. This clearly shows that proper bookkeeping is a must to achieve growth and eventually success for small businesses. The study of Chelimo and Sopia (2014) emphasized that bookkeeping may lead to increased profitability and business expansion for small businesses if implemented correctly.

In the Philippines, the Department of Trade and Industries reported in 2019 that micro-businesses and small firms cover up to 89 percent and 10 percent, respectively, of all MSMEs. They help reduce poverty by providing jobs for the country's rising workforce. In the same year, Philippine Statistics Authority reported that micro and small enterprises employed 4,859,369 Filipinos, representing about 55.1 percent of all occupations in the country, catering 431,056 jobs in Central Visayas alone. Micro, small, and medium enterprises are vital elements in the economy because they are considered partners and suppliers to large corporations and a breeding ground for new entrepreneurs. However, one of the



severe constraints of these micro and small enterprises is in their finance, precisely, the external sources (Senate of the Philippines, 2012). Bookkeeping is essential so that banks and investors can assess the performance of the business to increase funds and achieve growth. Moreover, accurate bookkeeping is, in fact, a necessity for running a micro and small enterprise to be successful. Yap (2019) highlighted that bookkeeping allows the owner to determine if the business is making a profit or not.

Bookkeeping clearly shows its impact on financial performance and growth, and the ability of the owner to create an economic decision for his business. Chelimo and Sopia (2014) noted that SMEs' bookkeeping, growth, and profitability directly relate to each other. Improper bookkeeping practice would result in tax penalties, payroll errors, failure to raise money, and inability to make wise decisions for the business. We conducted this study to answer questions regarding the implementation of correct bookkeeping practices and how it affects the growth of the Micro and Small enterprises in Lapu-Lapu City.

It is significant to conduct this study because proper recommendations for the benefit of the micro and small enterprise, owner, and local government were formulated based on the results and findings of this research. Furthermore, this would help the local government of Lapu-Lapu City to conduct training-seminar on the proper record-keeping program and basic financial literacy talk that would help improve the micro and small enterprises' sustainability and performance. This study would also prove that correct bookkeeping practices are essential tools that should be assimilated into the MSEs' business operations to keep track of their financial performance for short-term and long-term decision making and growth.

METHODOLOGY

Research Design

This study utilized a descriptive research design using a quantitative approach. In this approach, a researcher-made survey questionnaire has been used to collect data. This approach was considered appropriate as this enabled the researchers to collect factual information from the research respondents in-depth. Also, achieve the purpose of this study - which is to determine the extent of the bookkeeping practices and its effects on the growth of micro and small enterprises in Lapu-Lapu City. This research design enabled the proponents of this study to collect unbiased primary information from the respondents.

Research Environment

This study was carried out in the City of Lapu-Lapu. The city is a 1st class highly urbanized city in Central Visayas. According to the 2020 PSA Census, the household population of the city was about



497,604, with a land area of 58.10 km2.

The researchers used the two barangays as the locale to conduct this research because Barangay Pajo and Barangay Poblacion are considered the heart of trade and commerce in the city. Many businesses from banks, malls, hospitals, hotels, hardware, clinics, pharmacies, and others offer different products and services in these barangays. Most importantly, Lapu-Lapu City Public Market is located in one of these barangays. Furthermore, considering the time and cost, the researchers also chose these barangays because of the accessibility; Pajo and Poblacion are next to each other, which gave the proponents convenience and a broader scope to achieve the objectives of this study.

Research Respondents

The respondents of this study were the micro and small enterprises located in Barangay Pajo and Barangay Poblacion in Lapu-Lapu City. The study excludes medium enterprises and large corporations.

Table 1. Distribution of Respondents

Respondents	Population	Sample
<ul style="list-style-type: none"> Registered MSEs in Barangay Pajo & Poblacion, Lapu-Lapu City (as of 2020). 	2,600	50

Out of the list of MSEs registered in the City's Business and Licensing Office, the proponents determined 50 micro and small enterprises - 25 from Barangay Pajo and 25 from Barangay Poblacion as respondents, using a non-probability sampling technique, precisely, Convenience Sampling Method. In this method, the researchers approached eligible respondents who possessed relevant qualifications and had sufficient time and willingness to partake in this research.

Research Instrument

The researchers used a physical questionnaire to receive concrete and absolute data. This study utilized 3-page survey questionnaires, which are sub-divided into three (3) major parts.

The first part of the questionnaire pertained to the profile of the micro and small enterprises in terms of their business type, amount and source of capital, years in business operation, person-in-charge of bookkeeping, level of bookkeeping, type of bookkeeping, record-keeping system, accounting method and kinds of bookkeeping records kept by the business.

The second and third parts used a 4-point Likert Scale, composed of 15 statements each. The second part is about the level of implementation of bookkeeping practices of micro and small enterprises. The



statements are answerable from 4-Highly practiced, 3-Moderately practiced, 2-Less practiced, to 1-Not practiced that would significantly assess the level of implementation of bookkeeping practices in MSEs.

The third part will answer the study's primary objective, which is to determine the extent of the bookkeeping practices and its effect on the growth of micro and small enterprises. It will assess the impact of bookkeeping practices on the growth of micro and small enterprises with statements answerable from 4-High Impact, 3-Moderate Impact, 2-Low Impact, 1-No Impact.

Research Procedure

Data Gathering. Before distributing the researcher-made survey questionnaires, all correspondences for the data gathering have been signed, transmitted, and approved by the instructor, adviser, Dean, and Barangay Captains, respectively. The physical questionnaire was distributed to the respondents, in line with the convenience sampling technique, to collect relevant data. All instruments handed out were retrieved later, providing enough time for the respondents to answer the survey truthfully.

Treatment of Data. All data collected were tabulated and tallied using a data matrix, wherein raw data has been converted into numerical codes representing each variable in the instrument. The data matrix was then tested for analysis, and appropriate statistical treatments were applied to generate statistical results. Moreover, the proponents of this study, with the help of a statistician, used the following statistical treatments:

1. Frequency and Percentage Distribution

The treatment used on the data pertaining to the business profile distribution of the micro and small enterprises.

2. Weighted Arithmetic Mean

The treatment used to get the average or central value to determine the level of implementation of the bookkeeping practices of the micro and small enterprises, as well as the level of impact of bookkeeping practices on the growth of micro and small enterprises. Based on the mean range of scores and interpretations below:

Range	Interpretation
3.26 - 4.00	Highly Practiced (HP)
2.51 - 3.25	Moderately Practiced (MP)
1.76 - 2.50	Less Practiced (LP)
1.00 - 1.75	Not Practiced (NP)



Range	Interpretation
3.26 - 4.00	High Impact (HI)
2.51 - 3.25	Moderate Impact (MI)
1.76 - 2.50	Less Impact (LI)
1.00 - 1.75	No Impact (NI)

3. Chi-Square Method

The treatment used to establish the significant relationship between the level of implementation of the bookkeeping practices to the growth of the micro and small enterprises.

RESULTS AND DISCUSSIONS

This chapter presents, analyzes, and interprets data gathered from the micro and small enterprises in Lapu-Lapu City. The data presented are in a tabular form with corresponding analysis and interpretation with their implications.

Presentation and Analysis of Data

This chapter contains four parts. The first (1st) part reveals the frequency and percentage distribution of the business profile of the micro and small enterprises. The second (2nd) part reveals the level of implementation of the bookkeeping practices of the micro and small enterprises. The third (3rd) part shows the impact of these bookkeeping practices on the growth of the micro and small enterprises. Lastly, the fourth (4th) part uncovers the results on the test of the significant relationship between the level of implementation of the bookkeeping practices on the growth of the micro and small enterprise.

Part I. Frequency and Percentage Distribution of Business Profile of the Micro and Small Enterprises

This section shows the business profile and bookkeeping practice variables distribution of the micro and small enterprises located in Lapu-Lapu City.

Table 2: Micro and Small Enterprises Business Profile

Profile Variables	Frequency (<i>f</i>)	Percentage (%)
Laundry	1	2.00
Printing Shop	6	12.00
Carwash	1	2.00
Auto Repair and Parts Shop	5	10.00
Licensed Professional Services	2	4.00
Hair Salon/Barbershop	2	4.00



Business Type	Beauty, Health, and Wellness Shops	4	8.00
	Hardware	1	2.00
	Food & Beverage Business	6	12.00
	Ready-To-Wear Shops	5	10.00
	Water Refilling Station	3	6.00
	Drugstore	2	4.00
	School Supplies	1	2.00
	Agrivet Supplies	1	2.00
	Merchandise Store	10	20.00
	TOTAL	50	100.00
Capital Invested	Less than P500,000	18	36.00
	P500,001-P1 Million	12	24.00
	P1,000,001-P2 Million	10	20.00
	P2,000,001-P3 Million	5	10.00
	More than P3 Million	5	10.00
	TOTAL	50	100.00
Source of Capital	Personal Fund	37	74.00
	Loan	6	12.00
	Both Personal and Loan	7	14.00
	TOTAL	50	100.00
Years in Business Operation	Less than 3 years	24	48.00
	3-7 years	11	22.00
	7-10 years	5	10.00
	More than 10 years	10	20.00
	TOTAL	50	100.00

This table showed that most of the micro and small enterprises are from the merchandising & trading sector, wherein mostly are operating the business for less than three (3) years during the conduct of the study. Data shows that 90% are micro-enterprises, and 74% of which were funded through personal funds. According to a report between the World Bank and the International Finance Corporation (IFC), the Philippines ranked 79th out of 178 economies as the least costly place in the world to start a business. It is evident in the study wherein 36% of the respondents had a capital investment of less than P500,000. In 2020, Philippine Statistics Authority (PSA) reported that micro-enterprises catered 88.77% of the 2020 List of Establishments in the Philippines, whereas the small enterprises ranked second, with 10.25% of the total population. It clearly shows how micro and small enterprises benefit the movement of our economy.

Table 3: Micro and Small Enterprises Bookkeeping Practices

	Profile Variables	Frequency (f)	Percentage (%)
Person-in-charge of bookkeeping	Owner-manager/Do-it-yourself	23	46.00
	Employed bookkeeper	9	18.00
	Outsourced bookkeeper	18	36.00
	TOTAL	50	100.00
Level of Knowledge of the person-in-charge in bookkeeping	None	3	6.00
	Basic	21	42.00
	Intermediate	16	32.00
	Advanced	10	20.00
Type of Bookkeeping	TOTAL	50	100.00
	Single-entry	35	70.00
	Double-entry	15	30.00
	None	3	6.00
Record-keeping Systems	Manual	27	54.00
	Computerized	12	24.00
	Both Manual and Computerized	8	16.00
	TOTAL	50	100.00
Accounting Method	Cash Basis	39	78.00
	Accrual Basis	11	22.00
	TOTAL	50	100.00
	Payroll records	17	34.00
Kinds of Bookkeeping record kept	Tax returns and reports	34	68.00
	Record of receipts & disbursements	34	68.00
	Copies of business bank statements	15	30.00
	Stock cards	16	32.00
	Record of payables & receivables	20	40.00
	Record of sales	37	74.00

Table 3 presented that owner-managers tend to do bookkeeping independently, with only basic knowledge of doing it. It implies that most owners would instead do it by themselves to cut the cost of operating the business. According to the Department of Labor & Employment, it costs P8,000-P15,000 to hire a bookkeeper a month. Data shows that 70% of the respondents use the single-entry bookkeeping system because it is easier to do and keeping track of the business transactions is more convenient. An article in Bragg (2021) stated that the primary benefit of a single-entry system is its simplicity, which only needs a small number of entries and a basic understanding of accounting principles.

The study shows that the majority still prefer manual or traditional record-keeping as this is cheaper and more convenient. Moreover, 78% use the cash basis method to calculate revenue and expenses, which is easier than the accrual method. The book of Gnanarajah (2014) explained that cash basis accounting is the most often used technique for recording and reporting revenue, expenditures, and profits since it is less complicated than accrual accounting.

The most kept record is the business sales records, while the least are the copies of business bank statements. A business sales record is vital because it is one of the important source documents that a business can use to determine its business performance and to comply with Bureau of Internal Revenues regulations.

Part II. Level of Implementation of the Bookkeeping Practices of the Micro and Small Enterprises

This section shows the data results on the implementation practices of the micro and small enterprises in Barangay Pajo and Barangay Poblacion in Lapu-Lapu City.

Table 4: Implementation of Bookkeeping Practices in Micro and Small Enterprises

Implementation Practices	Mean	Interpretation	Rank
• Record all sales in the Sales Journal.	3.40	Highly Practiced	1
• Record all purchases in Purchases Journal.	3.40	Highly Practiced	1
• Record all cash receipts in the Cash Receipts Journal.	3.28	Highly Practiced	2
• Identify the business transaction to be recorded.	3.16	Moderately Practiced	3
• Record all cash disbursements in the Cash Disbursements Journal.	3.16	Moderately Practiced	3
• Foot all the journals at the end of the month.	2.80	Moderately Practiced	4
• Prepare the monthly financial statements.	2.64	Moderately Practiced	5
• Post totals of the different journals to the General Ledger.	2.58	Moderately Practiced	6
• Prepare a worksheet.	2.58	Moderately Practiced	6
• Regularly (daily) post transactions to the stock cards for inventories.	2.50	Less Practiced	7
• Prepare the Trial Balance.	2.38	Less Practiced	8
• Create a chart of accounts.	2.36	Less Practiced	9
• Prepare the adjusting entries.	2.30	Less Practiced	10
• Prepare the monthly bank reconciliation.	2.26	Less Practiced	11
• Regularly post transactions to the AR subsidiary ledger and AP subsidiary ledger.	2.10	Less Practiced	12
Aggregate Mean	2.73	Moderately Practiced	



Legend:

3.26 - 4.00	Highly Practiced (HP)
2.51 - 3.25	Moderately Practiced (MP)
1.76 - 2.50	Less Practiced (LP)
1.00 - 1.75	Not Practiced (NP)

Bookkeeping practices were practiced moderately in the micro and small enterprises with an aggregated mean of 2.73. However, they highly practice recording the sales on sales journals and purchases on purchases journal with the highest mean of 3.40. In contrast, the least practiced bookkeeping practices are regularly posting transactions to accounts receivable and accounts payable subsidiary ledger with the lowest mean of 2.10.

The result shows that some practices are not given equal importance to others, especially those who have uncomplicated business operations and transactions. Furthermore, the study of Ibarra (2015) agreed that not all practices recommended for small enterprises are helpful for businesses with simpler operations. As such, recording sales in a sales journal were given importance as it gives information on the health of the business operations and its liquidity and growth. Based on the concept of information theory, figures do not readily reveal interpretations. However, it can extract information that can anticipate a firm's success by explaining the impact of such economic events on business growth.

Business owners utilize business transactions to generate reports, have an insight into the business's performance, and make assessments as the basis for making decisions. According to Chelimo & Sophia (2014), the absence or the lack of bookkeeping mainly leads to the failure of a business. Thus, it is crucial to have accurate and proper bookkeeping practices to systematically track all cash inflows and outflows, know the profit margin, and know the timely progress of the business operation. Yap (2019) highlighted in his study that the implementation of bookkeeping practices to micro-enterprises is a significant factor for the sustainability of the business operation and a great help in making timely and accurate business decisions. According to Decision Theory, timely and accurate bookkeeping produces reliable accounting information that would guide business owners in making wise strategic decisions about business improvement and growth.

Part III. Level of Impact of Bookkeeping Practices on the Growth of Micro and Small Enterprise

This section shows the data results on the level of impact of bookkeeping practices on the growth of the micro and small enterprises in Lapu-Lapu City.

Table 5: Impact of Bookkeeping Practices on the Growth of Micro and Small Enterprises

Growth-affecting Factors	Mean	Interpretation	Rank
• It helps in monitoring expenses.	3.72	High Impact	1
• It helps in monitoring the cost of sales.	3.56	High Impact	2
• It helps in monitoring sales.	3.54	High Impact	3
• It helps in monitoring payment to suppliers.	3.54	High Impact	3
• It helps in determining the profitability of the business.	3.48	High Impact	4
• It helps in determining the need to increase/reduce sales prices.	3.42	High Impact	5
• It helps in comparing actual figures with budgeted figures.	3.38	High Impact	6
• Accurate and timely financial reports provide information needed in making business decisions.	3.30	High Impact	7
• It helps in making a cash budget (for the next six months).	3.26	High Impact	8
• It facilitates the preparation of tax returns.	3.26	High Impact	8
• It helps in preparing the daily cash position report.	3.24	Moderate Impact	9
• It helps in monitoring collection of accounts receivable.	3.20	Moderate Impact	10
• It helps in determining the liquidity of the business.	3.16	Moderate Impact	11
• It helps in determining the solvency of the business.	3.04	Moderate Impact	12
• It helps in determining the need to secure loans to be used in business operations.	2.94	Moderate Impact	13
Aggregate Mean	3.34	High Impact	

Legend:

3.26 - 4.00	High Impact (HI)
2.51 - 3.25	Moderate Impact (MI)
1.76 - 2.50	Less Impact (LI)
1.00 - 1.75	No Impact (NI)

The results revealed a favorable response, with the majority indicating that their bookkeeping practices have a high impact on the growth of their business. The final result is that bookkeeping indeed has a high impact on growth, with an aggregate mean of 3.34. The high-ranking growth affecting factors indicated that bookkeeping assisted them in monitoring their expenses, cost of sales, sales, and payment to suppliers. However, the ability to determine the need of securing loans used in business operations was ranked last with a mean of 2.94. Nevertheless, it is still considered to have a moderate impact on the growth of the business.

Overall, the findings showed that practicing bookkeeping has a high impact on the future success and growth of the business. The result of this study is in line with the study of Addane (2016), who concluded that bookkeeping has a beneficial impact on business growth. Those who kept records of their business activities confirmed that sales, profitability, and customer base increased or decreased.



In contrast, those who did not keep records could not observe any growth or reduction in their business sales, profitability, or customer base. The results in this study are also consistent with Okoli (2011), who supported that in order to improve the profitability and long-term viability of small businesses, good record-keeping is required, which will assist owners in keeping track of their business' performance.

Finally, it is aligned with the study on the "Effects of Bookkeeping on the Growth of Small and Medium Business Enterprises in Kabarnet Town, Baringo County, Kenya" of Chelimo and Sophia (2014), where it was concluded that there is a direct association between bookkeeping, SMEs' growth, and profitability. Thus, if done correctly, bookkeeping may contribute to greater profitability and development of micro and small enterprises.

Part IV. Results on the Test of Significant Relationship Between the Level of Implementation of Bookkeeping Practices and the Growth of Micro and Small Enterprises

This part uncovers results of the test of the significant relationship between the level of implementation of the bookkeeping practices and the growth of the micro and small enterprises

Table 6: Implementation of Bookkeeping Practices and the Growth of MSEs

Variables	Computed Chi-Square	df	Critical Value	Significance	Result
Level of Implementation of the Bookkeeping Practices vs. Growth of Micro and Small Enterprises	682.738 ^a	609	710.421	Significant	Ho Rejected

The table indicated the most crucial aspect of bookkeeping practices to the growth of micro and small enterprises. The findings reveal a substantial relationship between the level of implementation of the bookkeeping practices and the growth of MSEs. The null hypothesis is rejected because the computed p-value of .020 is less than the 0.05 level of significance. As a result, an alternative hypothesis is accepted, specifically, that there is a significant relationship between the level of implementation of the bookkeeping practices and the growth of micro and small enterprises.

The survey responses revealed that the degree to which bookkeeping techniques are implemented significantly impacts the business' success. According to Drexler et al., (2014), record-keeping has a favorable impact on business performance and has been regarded as the most crucial element in determining business performance. In addition, assessing a company's economic performance and contribution requires bookkeeping. Thus, the degree to which bookkeeping is implemented has a



significant impact on the company's growth (Fullerton et al., 2014).

CONCLUSIONS

Drawing from the findings of this study, majority of the businesses are engaged in merchandising for less than 3 years, funded mostly from personal funds. It is because it needs additional efforts and requirements to apply for a loan and an underlying risk if the business owner fails to make payments, especially if the business fails in the early years of its operation. Moreover, the majority of the business owners do bookkeeping manually on their own to minimize additional expenses on the business.

Furthermore, there is a significant relationship between bookkeeping practices and the success of micro and small businesses. It was found that maintaining records such as cash journal reports, sales, and purchase transactions allows for effective cash control in micro and small enterprises, leading to increased business performance. Also, bookkeeping practices implemented by these enterprises proved to have a moderate to high impact on the growth of the business. Thus, bookkeeping is essential; otherwise, many of these businesses would have been brought down by their failure to implement proper bookkeeping practices - as they would not be able to efficiently keep track of the operation that affects the growth of the business. The majority of the micro and small enterprise owners managed their bookkeeping with only basic knowledge of the practice, yet it is evident from the results that they greatly found it important to have proper record keeping despite the lack of training. This study concludes that the bookkeeping practices of the micro and small enterprises in Barangay Pajo and Poblacion, Lapu-Lapu City have a direct relationship towards the growth of the enterprise. Thus, it is important to enhance the owner's knowledge about implementing correct bookkeeping practices in the enterprise. Consequently, training-seminar about bookkeeping must be conducted for these owners to grasp additional and valuable knowledge on bookkeeping and strengthen their skills on bookkeeping as their tool in decision-making, managing, and operating the business.

RECOMMENDATIONS

Indeed, bookkeeping is essential in every business operation. It has proven to help the business grow, and allow the owner to understand how much progress has been made over time in their operation. Furthermore, through accurate and proper bookkeeping, the owner becomes aware of whether the business is making a profit or not. Therefore, based on the conclusions as mentioned earlier, the following are recommended:

• MICRO AND SMALL ENTERPRISES

1. Micro and small enterprises need to strengthen the implementation of their bookkeeping practices. Stressing the importance of stock cards, especially to those in the merchandising



sector, which gives a more detailed in and outflow of goods that eventually affects the level of inventory and the business's sales.

2. For small enterprises that have been in the market for long years and have relatively sizable transactions, practice computerized bookkeeping and have a bookkeeping software system that will efficiently and effectively suit the size and nature of transactions of the business.
3. Therefore, using an installed software system lessens the hassle of keeping bundles of documents, thus leading to a more cohesive record-keeping and production of financial reports and statements necessary for compliance with regulatory agencies like the Bureau of Internal Revenue.

• LOCAL GOVERNMENT

The Local Government Unit of Lapu-Lapu City must help the micro and small industries thrive in the economy, as they are one of the government's sources of income by way of taxes. Micro and Small Enterprises are important for the community to mutually progress as these businesses also help the government sustain the needs of the citizens. Therefore, the continuity of these businesses is also a concern of the government. With this, it is recommended to the local government unit of Lapu-Lapu City that:

1. Micro and small enterprises, especially those who are new market players, are afforded with training-seminar on proper bookkeeping.
2. The training-seminar will be spearheaded by the local government of Lapu-Lapu City, in partnership with a university, through their College of Business and Accountancy as part of their community extension program, and government agencies, such as Technical Education and Skills Development Authority (TESDA) and the Department of Trade and Industry (DTI), focusing on the bookkeeping training program for MSE owners.
3. The training-seminar will be conducted by utilizing fun and interactive lectures, integrated with bookkeeping activities like analyzing different transactions, creating a chart of accounts, preparing financial statements and analysis, and preparing documents for tax compliances and other business requirements.
4. Through symposiums, conferences, and open forums related to bookkeeping, micro and small enterprises in the locale will grow further and provide products and services in a longer period.

• FUTURE RESEARCHERS

1. Future researchers should conduct further studies on other variables that could be classified as growth-affecting factors of bookkeeping to strengthen further this research's findings.
2. This research study was limited to a specific number of barangays and a limited number of respondents. It is recommended to increase the sample size of participants for the study in a different area.



3. Expand future research to micro and small enterprises in the manufacturing industry.

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