The Impact of Financial Literacy on Business Performance

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Abstract: **- The purpose of this study was to investigate the influence of financial literacy financial on business performance of entrepreneurs in Bauchi metropolis Nigeria. The study was clasped on a resource-based theory which postulates that given resource heterogeneity immovability and contentment of the requirement of value rareness, flawed imitability and non-substitutability, a firm's resource can be a source of sustained competitive advantage. The study revealed that financial literacy had a statistical influence on the performance of entrepreneurs. The paper advances the argument and general view that financial literacy is a major contributing factor in entrepreneurial business performance.**

Keywords: **Financial Literacy, Business Performance.**

I. INTRODUCTION

Entrepreneurs operate in dynamic environments, and as financial markets become more competitive and financial portfolios more complex, entrepreneurs become vulnerable to information asymmetries if the complexity in financial markets is not matched by a commensurate growth in entrepreneurial financial literacy (Barte, 2012). At the macroeconomic level, small businesses are the backbone of many economies, and when the financial literacy skills among entrepreneurs are not sufficient to operate successful enterprises, the whole economy is at risk(Dahmen & Rodríguez, 2014). Studies suggest that there is a direct relationship between entrepreneurial financial literacy and the business performance of entrepreneurs (Barte, 2012). Other studies indicate indirect relationships where financial literacy influences the performance of entrepreneurs through its interaction with other factors such as financial inclusion and financial awareness. Studies also suggest that entrepreneurial financial literacy enhances access to utilisation of financial services which facilitates enterprises to invent and exploit growth opportunities (Nunoo & Andoh, 2011). Entrepreneurial financial literacy effects financial inclusion by a business enterprise in the process of finding and using financial services(Hieltjes & Petrova, 2013). Scholars and Policymakers have acknowledged that financial literacy is an entrepreneurial competency which enables business enterprises to survive in a progressively unstable environment (Hazlina Ahmad et al., 2010). This study is clasped on resource-based theory. It views financial resources as essential resources for the acquisition and configuration of other resources and entrepreneurs must to be financially literate to manage their business appropriately(Brinckmann et al., 2011). The theory provides a suitable basis for examining the relationship between entrepreneurial financial literacy and business performance (Szilagyi, 1980). This study tries to find whether the business performance of entrepreneurs is dependent on their financial literacy.

II. REVIEW OF RELATED LITERATURE

2.1 Entrepreneurial Financial Literacy

Financial literacy refers to the financial knowledge and abilities which enable entrepreneurs to implement effective financial management strategies for their enterprises. Literacy is defined as the ability to read and write a well as knowledge and competence in a specified area (Atkinson, 2017). Financial literacy is defined as the degree to which one understands essentialfinancial concepts and possesses the ability and confidence to manage personal finances through appropriate, short-term decision-making and sound, long-range financial planning, while mindful of life events and changing economic conditions(Remund, 2010).Huston, (2010) acknowledged that a generally accepted definition of financial literacy among researchers did not exist and this has led to researchers developing their meaning of the construct. For that reason, Zuhair *et al*., (2015)argued that a lack of a commonly used definition was indicative of the fact that financial literacy was multi-dimensional and had a different meaning to researchers and academicians. However, according to Klapper *et al*., (2012) financial literacy is a combination of awareness, knowledge, skill, attitude and behaviour necessary to make sound financial decisions and ultimately achieve individual financial wellbeing, this was basically in line with whatLusardi, (2013) said, that financial literacy is a blend of awareness, knowledge, skill, attitude, and behaviour essential to make full financial decisions and ultimately accomplish individual financial well-being. Recently, Schuhen, (2014)convey the most and widely accepted definition for financial literacy all over the world consisting of three main pillars as financial knowledge, attitudes and behaviours.

2.2 Business Performance

Performance refers to the ability to attain set objectives. Business performance is therefore defined as a business ability to achieve planned results as measured against its intended outputs and incorporates outcomes related to financial performance, market performance and shareholder return(Richard et al., 2009). Business performance is also the ability of a business enterprise to come across or surpass its pre-set objectives or goals as agreed upon by its investors over a definite period which enables the business enterprise to realise unique or superfluous set goals relevant to a business progress in the market (Eniola, 2015;Begonja *et al*., 2016). Also, Vincent, (2014)defined business performance as a consistent dimension of consequences and results, which produces reliable data on the success and effectiveness of a planned effort. Whereas Yadav, (2015) equally describe the business performance as a central marvel in commercial philosophies and also a multifaceted phenomenon. Notwithstanding, performance in general links to the attainment of aims and goals in any segment of human life prospects (Begonja, 2016).Moreover, performance methods do not adequately examine entrepreneurship since entrepreneurship is based on innovation and utilisation of profitable forecasts and performance opportunity (Begonja, 2016).

However, measuring business performance has attracted considerable debate, but to date, there is no consensus on measures of performance. Nevertheless, the conventional standards of business performance comprise both financial and non- financial indicators. Financial indicators include profitability indicators such as return on asset, sales return, Investment return, return on equity, market share and operational efficiency (Gentry & Shen, 2010). Non-financial measures include career satisfaction, organisational commitment, employee turnover and entrepreneur satisfaction (Mayer & Schoorman, 1992). In the context of small businesses, it is recognised that entrepreneurs frequently consider financial performance measures to be confidential and protect them from community scrutiny (Sabana, 2014). Also, due to legal reasons small business incline to manipulate some data and control such manipulation over subjectively adjusting measures (Sulaiman, 2016). Thus, researchers can assess the business performance of small businesses via common subjective measures which can reflect more-specific objective measures (Covin & Slevin, 1989;Williams & Naumann, 2011). The use of such measures to evaluate performance is acceptable, as it shows high positive links with objective business performance measures(Zabri & Lean, 2014).

Determinants of business performance are termed as factors that influencebusiness development and growth (Simpson *et al*., 2012). Thus, according to Mabhungu and Van Der Poll, (2017) business performance is presently the struggle around the world of entrepreneurship, which needs not the only measurement but also requires evaluation in trying to rise it up. Besides, Javed and Muhammad, (2011), mentioned that assessing business performance is a better approach to explore whether a business enterprise is progressing through the use of indicators which permits an easy way to look into the enterprise situation such as the annual sale turnover rate, growth, number of employees, innovation, competition and resources availability are among the widely used element for measuring business performance. Conversely, Gielnik, (2016) stated that business owners tend to use their value orientation as a measure of business performance as opposed to the financial indicators. The most frequent measure of business performance in literature was profitability, growth, innovation and survival (Feng *et al*., 2017).

Otherwise, Abdullah, (2015) argued that researchers should focus on a holistic approach in measuring business performance by including both financial and non-financial indicators. According to him,an index such as work-life balance and giving back to the community are some of the factors critical to business owners. On the contrary, Gielnik, (2016), pointed out that such measures must include both business performance such as “economic growth” and other criteria that business owners themselves deemed to be successful. (Abdullah, 2015). Besides, Feng (2017) suggested that only objective indicators of the business performance should be adopted, that is the business performance must be equated to the achievement of positive economic growth such as annual sales and growth in the employee's competency. In line with the above views, this study intends to use financial measure of business performance. Moreover, this study will measure business performance as represented by growthin terms of sales.

2.3 The Impact of Financial Literacy on Business Performance

However, financial literacy has got an increasing interest in both developed, and developing countries including Nigeria. Nonetheless,Matewos, (2016) carry out a review on financial literacy for developing countries in Africa and the result showed low level of financial literacy in both developed and developing countries and concludes that policymakers and academics in African developing countries need to understand the level of financial literacy in the population, in order to devise suitable financial education and other related policy interventions to improve personal financial literacy for its benefits of enhancing individual socio-economic welfare and building an inclusive financial system and sustainable economic growth. Consequently, according to Eresia-Eke and Raath, (2013) financial literacy is about discernment and making effective decisions on utilisation of financial management. With that the person can use various substitutes for instituting financial objectives which relate to an individual knowledge of financial concepts and products which in turn affects the individual’s value system and behaviour, consequently impacting positively on the personal decision on financial matters (Fatoki, 2014). Notably, on the increasing complication of financial markets (Miller *et al*., 2009, Lusardi & Mitchell, 2013b) increasing cost of business failure (Chepkemoi *et al*., 2017, Lusardi & Tufano, 2015) which all demand personal financial management capability in both individual and business, are among the repeatedly cited reasons behind enhancing financial literacy in both developed and developing countries (Matewos, 2016).

In the context of small businesses, financially literate entrepreneurs manage resources more widely, use financial information more astutely thereby improving the profitability and of their business enterprises (Treptow, 2014 and Morrison, 2006). Financial literacy also enhances participation in financial markets which facilitates asset accumulation and consumption smoothing and access to broader sources of funding (Van Rooij et al., 2011). Financial literacy is linked to debt and investment literacy (Lusardi, 2008). Financial literacy also influences the access and utilisation of financial services (Nunoo, 2011). In a nutshell,Lusardi, (2013b) suggested that financial literacy enables individuals to process economic information and make informed decisions about financial planning, saving, debt management, and investment diversification which become progressively imperative to allow individual and business to cope with the ever-rising complexity of financial products and service in the market. Also, Miller, (2009) measured financial literacy as an active process with dual consecutive results. Besides, Fatoki, (2014a) states that financial literacy conveys knowledge and skills which enable entrepreneurs to make financial decision to improve the financial wellbeing of business. Nevertheless, entrepreneurs with financial knowledge and attitude were found to implement lesson learned from financial education and were able to decide on financial services and products that are at their best interest (Miller, 2009, Fatoki, 2014a, Lusardi, 2015 and Chepkemoi, 2017).

Indeed, the notion of financial literacy is highly significant. As a result, Lusardi, Michaud, *et al*., (2015) suggests that financial literacy is a useful life expectancy skill in the modern financial world where individuals are responsible for their short term and long term financial decisions. Similarly, Engström & McKelvie, (2017) highlighted that it could also be regarded as a process where financial literacy learnt from formal and informal sources implanted in the individual financial decision-making process for the best financial results. Additionally, Matewos, (2016) argued that financial literacy increased savings and business planning, more realistic assessments of financial knowledge by consumers, life skills and bargaining power, financial skill. Furthermore, according to Lusardi, (2015) financial literacy rise greater competition, innovation and quality products, market discipline, risk management, overcoming indebtedness. On the other hand, Sabana, (2014)emphasisedthat financial literacy includes knowledge on financial access, understanding government financial policies.

It was acknowledgedthat financially literate entrepreneurs make the best financial and economic decision together with, savings, borrowing, investment and right management of debt (Lusardi, 2015). However, the increasing number of previous studies have also evidenced the role financial literacy plays in managing business finance, both asset and liability (Jacqueline Siekei, 2013). Though, Miller, (2009) highlighted the significance of financial literacy in developing nations where the financial sector has been relating new service providers, complex financial products and service accessible to new entrepreneurs to financial market is vital. Similarly, Fatoki, (2014a)evident that, financial literacy improves understanding of investment decisions which might reduce risk and improve earning from the little financial resource of the poor in developing nations.

Moreover, Matewos, (2016) emphasised that financial literacy is not only at the benefit of individuals or business, but is equally at the paramount interest of financial service providers and soundness of the financial system. Chepkemoi, (2017) studied the effects of financial literacy training on business profitability by SMEs in the coastal region of Kwale County on a sample of 74 SMEs drawn from the Kinang, Matuga and Msambweni. The findings revealed that financial literacy positively influenced the performance of SMEs and enhanced profitability. Four variables were examined: working capital management, savings, bookkeeping and financial accessibility skills, profitability being the dependent variable. The findings concluded that financial literacy affected the profitability of SMEs. Additionally, the study was also in line with the findings of Sabana Beatrice, (2014) studied the influence of financial literacy and performance of microenterprises in Nairobi County, Kenya and the result established that financial literacy has a statistically significant influence on microenterprise performance. It is also consistent with a study carried out by Joseph, (2017) on the correlation between credit schemes and financial accessibility, and the findings establish a clear correlation between business performance and financial access.

In addition, it further confirms the findings of Jacqueline Siekei, (2013) who carried out a study on the effect of financial literacy education on performance of small businesses in Njoro, Kenya and established that training in financial awareness, budgeting and credit management improved the performance of entrepreneurial business owners. In confirming the influence of financial literacy on the business performance of entrepreneurs, the study achieved the fourth objective of the study by founding the influence of financial literacy on entrepreneurial business performance in Bauchi metropolis Nigeria. Moreover, Njoroge, (2013) studied the relationship between financial literacy and entrepreneur success among SMEs in Nairobi City County, Kenya and the findings established that financial literacy had a statistical significance influence on entrepreneurial business performance. Similarly, Cherugong Patrick, (2015) studied the effect of financial literacy on the performance of SMEs among 85 small and medium scale enterprises in Trans Nzoia County and the findings established that financial literacy has a statisticallysignificanteffect on SMEs performance. Nevertheless, it is also consistent with that of Eniola and Entebang, (2016) who carried out a study on the financial literacy and firm performance, and the results established that financial knowledge of a firm has a significant impact on business performance. Besides, Mwithiga, (2016) also carried out a study on the relationship between financial literacy and the performance of owner- managed ICT SMEs and the findings of the study established that, financial literacy influence the performance of owner- managed ICT SMEs and concluded that the varying levels of financial literacy among

ICT SME owner-managers is associated with differential levels of their enterprise performance.

III. RESEARCH DESIGN, DATA COLLECTION AND ANALYSIS

The identified target population for collecting data as regards to this study are entrepreneurs from Bauchi state Nigeria. A survey questionnaire was randomly employed and the sample were drawn from Central market, Muda Lawal, Wunti and Sabuwar Kasuwa respectively. This questionnaire requested information concerning financial literacy and business performance. Data collection is a process through which information is obtained from the selected subjects of a study (Cresswell, 2014).The survey questionnaire was directly administered to the participants with a covering letter informing them about the significance of the study and confirming anonymity of their responses. The questionnaire was favoured for this research because it facilitates stress-free and quick derivation of information within a short period (Kerlinger, 2004). Cited in (Mbabazi & Daniel, 2017) However, its low cost and adequacy of time for respondents to give replies further qualified its implementation (Kothari, 2008). However, 500 questionnaires were distributed 393 questionnaires were retrieved at the end of the process given a response rate of 78.6 % (393/500) of these seven were further removed for the entrepreneurs not given consistent responses relevant for the analysis. Therefore, 386 useable questionnaires were retrieved which account for 77.2 % (386/500) net useable response rate. According to Mugenda & Mugenda, (1999), a response rate of 50% is considered adequate, 60% good, 70% and above rated excellent. Based on this argument, the response rate for this study was rated as excellent. Nevertheless, regression analysis was used to investigate the influence of the relationship and hypothesis was formulated to guide the study which were tested at 0.05 significance level. Financial literacy was measured using seven items based on five Likert scales ranging from 1= strongly disagree to 5 = strongly agree. The items involved, financial awareness, debt management, diversification, saving, bookkeeping, risk management and access to credit facility. The measurement used as predicators for the business performance factors which was sales. However, this study used interpretation as recommended by Noor *et al*., (2013) and Abdullah, (2017) which consist of three levels. Table 1 presents the means score interpretation level used in this study.

Table 1: Mean Score Interpretation

Mean Score	Level
3.68 – 5.00	High
2.34 - 3.67	Moderate
1.00 - 2.33	Low

Adapted from Noor *et al*., (2013) and Abdullah, (2017).

IV. RESULTS AND DISCUSSION

The objective of the study was to investigate the influence of financial literacy on business performance. Multiple regression was used to test the hypothesis. Nevertheless, the multiple regression analysis results to establish the joint influence of financial awareness, debt management, diversification, bookkeeping, access to credit and risk management on business performance, this was indicated by their joint effect as it explained .656% of its variation in business performance (R^2 value of .656).Further, the results showed that the joint effect of the study variables are statistically significant ($F(7,378) = 103.03$, p-value< .005) and ($F(7,378) = 35.168$, p-value< .005). This implies that the study variables jointly predict entrepreneurial business performance and should be considered when developing new business. In confirming the influence of financial literacy on business performance, the hypothesis was supported,and the objective of the study was achieved. However, the findings are consistent with the literature on the influence of financial literacy on business performance. The concept of financial literacy dimensions often explains this influence. Therefore, the hypothesis that says financial literacy influences business performance was supported by the present study. The findings are consistent with existing literature and past studies that proposed that financial literacy leads to higher business performance. Existing research suggests that financial literacy has a statisticallysignificant influence on entrepreneurial business performance. Similarly, empirical evidence revealed that financial literacy influences business performance. Nevertheless, the result of the study is consistent with previous research like that of Chepkemoi, (2017)Joseph, (2017)Eniola and Entebang, (2016)Mwithiga, (2016)Sabana Beatrice, (2014) and Njoroge, (2013).

Furthermore, the result of the study is presented Tables 2, 3 and 4. Model summary is presented in Table 2, where the overall model performance is reported based on the regression coefficient, R^2 value. As shown in Table 1, the R^2 reporteda value of .656% percent. This implies that the seven dimensions of the independent variable, financial literacy (access to credit, financial awareness, diversification, debt management, bookkeeping, risk management and saving) accounted for 65.6 percent variance in the dependent variable, business performance (sales).Moreover, to further verify the reliability of the model, a test of the model significance was reported in Table 2. The result shows that the overall model reveals a statistically significant relationship between the predictor and the criterion variable as ($F(7,378) = 103.03$, p-value< .005) and R^2 ·65.6. As shown in Table 2. This implies that there is a statistically significant influence of the predictor (financial literacy) on the criterion (business performance).

Table 3: Model Summary and Anova

Model Summary

Model	R	R Square	Adjusted R Square	Std. error of the Estimate
1	.810[a]	.656	.650	.41170
a. Predictors: (Constant), Financial awareness, Debt management, Diversification, Bookkeeping, Saving, Risk management, Access to credit.				

ANOVA						
Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	122.239	7	17.463	103.027	.000[b]
	Residual	64.069	378	.169		
	Total	186.308	385			
a. Dependent Variable: SALES						
b. Predictors: (Constant), Financial awareness, Debt management, Diversification, Bookkeeping, Saving, Risk management, Access to credit.						

To determine the relative contribution of individual variables in the model, Table 3 shows the coefficients of the respective variables. The relative importance of each variable was measured by the magnitude and direction of the standardised beta value and the test of whether it is statistically significant or not. As shown in Table 3, among the seven dimensions of the financial literacy construct, all the constructs have indicated a positive relationship with business performance. Moreover, savings have the highest positive contribution in determining business performance while risk management was the lowest as revealed by the standardised coefficient in the beta values column.

Table 4: Coefficients

Coefficients								
Model		Unstandardized Coefficients		Standardised Coefficients	t	Sig.	Collinearity Statistics	
		B	Std. Error	Beta			Tolerance	VIF
1	(Constant)	1.367	.282		4.852	.000		
	FA	.182	.027	.223	6.662	.000	.809	1.235
	DM	.211	.034	.208	6.239	.000	.815	1.226
	D	.254	.083	.294	3.051	.002	.098	10.239
	BK	.046	.033	.048	1.393	.164	.761	1.314
	SV	.311	.091	.322	3.409	.001	.102	9.798
	RM	.128	.027	.178	4.769	.000	.653	1.531
	AC	3.680E-5	.029	.000	.001	.999	.793	1.261
a. Dependent Variable: SALES								

NOTE: Financial Awareness (FA); Debt Management (DM); Diversification (D), Book Keeping (BK); Saving (SV); Risk Management (RM) and Access to Credit (AC).

The result from Table 3revealsthatfinancial awareness makes a unique contribution of (beta =.223) with a t-test of 6.67, a significance level of value < .005 and tolerance value of .809 which is supported with VIF value of 1.24. However, debt management makes a unique contribution of (beta = .208) with a t-test of 6.23, a significance level of value <.005 and tolerance value of .815 which is supported with VIF value of 1.23. Nevertheless, diversification makes a unique contribution of (beta =.294) with a t-test of 3.05,a significance level of value < .005 and tolerance value of .098 which is supported with VIF value of 10.23. Moreover, bookkeepingmakes a unique contribution of (beta = .048) with a t-test of 1.39,a significance level of value = .164 which is > .005 and tolerance value of .761 which is supported with VIF value of 1.31. Furthermore, saving makes a unique contribution of (beta = .322) with a t-test of 3.40,a significance level of value < .005 and tolerance value of .102 which is supported with VIF value of 9.79.

Whereas, risk management makes a unique contribution of (beta = .178) with a t-test of 4.76,a significance level of value = <.005 and tolerance value of .653 which is supported with VIF value of 1.53. Also, access to credit makes a unique contribution of (beta = .000) with a t-test of .000, a significance level of value .999, which is > .005 and tolerance value of .793 which is supported with VIF value of 1.26. Meanwhile, this was used in line with the standardised coefficient (Beta) assumption that revealed the unique contribution of each of the predictor variable to the model. Nonetheless, the result shows that five predictors account for a significant amount of unique variance of the criterion variable business performance (sales) while two of the predictor variable do not significantly account for the predictor variable. Subsequently, the results have achieved the objective of the study and confirmed that financial literacy had a statistically significant influence on entrepreneurial business performance as it explained 65.6% of its variation (R^2=.656), having achieved the objective, the study accepted the hypothesis that says financial literacy significantly influences business performance.

Descriptive Statistics

Cresswell, (2014) stated that descriptive statistics are used to describe the primary feature of data in a study as they provide a simple summary about the sample and measures, together with simple graphics analysis. Nonetheless, they form the basis for every quantitative data analysis (Omair, 2015). Similarly, Ibrahim *et al*.,(2015)postulate that the mean accounts for entire scores in data sets and represent the most accurate values set of data. This procedure consists of only one variable from a set of analysed data. The data are then summarised using means, frequencies and percentages. According to Steinberg (2008) cited in Noorhayati, (2016)the mean accounts for all the scores in data sets, and the most accurate values represent a set of data. The mean score level of each variable (financial awareness, debt management, diversification, bookkeeping, saving, risk management, access to credit and sales) was then measured according to the interpretation chart of mean scores (Table 1) obtained by Noor *et al*., (2013) and Abdullah, (2017).The result of the descriptive statistics is presented in Table 5

Table 5: Descriptive Statistics Result

	Descriptive Statistics			
S/N	Items	N	Mean	Std. Deviation
1	Financial Awareness	386	3.40	0.852
2	Debt Management	386	3.73	0.689
3	Diversification	386	3.73	0.807
4	Book Keeping	386	3.69	0.733
5	Saving	386	3.80	0.719
6	Risk Management	386	3.40	0.969
7	Access to Credit	386	3.59	0.821
8	Sales	386	3.92	0.696

The results from table 5 present the mean score for the eight construct that was used to measure financial literacy and business performance. The result of the study shows that financial awareness has a moderate mean score of 3.40 with SD of .852, debt management has high means of 3.73 with SD .689, diversification hashigh mean of 3.73 with SD of .807, book keeping hashigh mean 3.69 with SD 0.733, saving has high mean of 3.80 with SD of .719, risk management has moderate mean of 3.40 with SD .969, access to credit has moderate mean of 3.59 with SD of .821 and finally, sales has a high mean of 3.92 with SD .696.Therefore, sales the highest mean score of 3.92 while financial awareness and risk management has the lowest means score among the study constructs.

V. CONCLUSION

The study sought to investigate the effect of financial literacy on business performance among entrepreneurs. The composite index of the financial literacy dimensions and entrepreneurial business performance was computed and a regression analysis executed to establish the influence of financial literacy on business performance. The study found that financial literacy has a statistically significant entrepreneurial business performance in Bauchi metropolis Nigeria. The findings showed that financial literacy explained 65.6 % of its variation in business performance (R^2 =.656). The results also indicated that the joint influence of the study variables is statistically significant (F (7,378) = 103.03, p-value < .001). This implies that the study variables jointly predict business performance. Based on the summary of this research findings, the following conclusions were drawn in line with the research objectives. The study concluded that financial literacy significantly influences the business performance of Bauchi state entrepreneurs. Similarly, the study found that 65.6 % of the variation in business performance by entrepreneurs could be explained by financial literacy. Thus, Bauchi state entrepreneurs can improve their business performance through enhanced financial literacy.

Nevertheless,general review and empirical studies that have investigated the influence of entrepreneurial financial literacy on the business performance of entrepreneurs. Studies on the influence of financial literacy on performance of small business enterprise have established that entrepreneurial financial literacy has a significant influence on business performance. Investigationsdetermined that financial literacy enables entrepreneurs to avoid business failures triggered by poor financial decision making. Studies have also confirmed that financial literacy influence the performance of the business enterprise. The main objective of the study was to investigate the influence financial literacy on business performance of entrepreneurs in Bauchi metropolis Nigeria. To achieve the study objective, hypotheses was formulated based on the literature review and empirical studies. The hypotheses testing was subjected to regression analysis. Subsequently, several conclusions were drawn from the study findings.

However, financial literacy exposes the entrepreneurial business owner to better decision-making skills which lead to higher business performance. Nevertheless, the results suggest that there is a statistically significant influence of financial literacy on performance of business enterprise. In fact, financial literacy seems to have a statistically significant influence on business performance.

Moreover, this further implies that the financial literacy for entrepreneurial business owner become necessary for policymakers and financial institution as a result of their significance on economic development. Therefore, financial literacy is a crucial component of knowledge for entrepreneurs' business performance in our modern society. Hence, entrepreneurs that lack adequate financial literacy are more likely to make financial decisions with adverse consequences for their business .Nonetheless, providing financial literacy education at both primary and tertiary institution may serve as a key to enhance the situation.

VI. RECOMMENDATION AND SUGGESTION FOR FUTURE RESEARCH

This study sought to investigates the influence of financial literacy within Bauchi metropolis Nigeria. It is therefore recommended that a replica of the study should be conducted in various administrations and different groups, and the outcomes compared to establish whether the same variables will have same effect in the various administrations and groups. Meanwhile, this study covers only entrepreneurs in Bauchi metropolis Nigeria; there is a need for furtherresearch that will cover other town areas in the country and the entire country at large. It's also recommended to conduct research that will focus on the extent of financial literacy awareness among entrepreneurial business owners. With the evidence of a significant influence of financial literacy on the business performance of entrepreneurs, the study recommends that entrepreneurs should be educated on financial literacy. The study suggests that future empirical research to use longitudinal designs should consider testing financial literacy as a configuration concept in order to determine various level of entrepreneur financial literacy and provide an assessment of causal linkages among various variables.

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