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Managing AR and AP to Boost the Financial Health of Nigeria's Small Business Sector in the Rivers State

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Abstract
The purpose of the research was to learn how small businesses in the state of Rivers handle their accounts receivable and payable so that they may boost their financial results. A total of 1390 people, including 70 accounting administrators, 1,300 business owners, and 20 CPAs, participated in the survey research for this study. A total of 396 people were sampled during the study's many rounds of sampling. Mean and standard deviation were used to analyze the data for trends, and the ANOVA statistic was employed to test the two null hypotheses at the 0.05 level of significance to arrive at conclusions and draw conclusions about the study issues. In particular, the study found efficient methods for handling accounts payable and receivable of small businesses in Rivers State, improving their financial performance. The study's findings informed several recommendations, including the launch of a programme to retrain current and aspiring business owners in the state on how to handle better accounts payable and receivable, which would positively impact the state's economy as a whole.

Keywords: *Small Business, Management, AR/AP, AP/AR, Financial Performance, Trade Credit*

Introduction
Company management has become more difficult as the business environment has become more intensely dynamic and unpredictable over the past few decades. The small and medium-sized enterprise (SME) sector is, without a doubt, crucial, and should be prioritized if a country is serious about fostering bottom-up development (Saka & Chan, 2020a). When utilized appropriately, it may provide not just a large number of jobs, but also substantial income from both local and international markets. In addition, it is seen as a crucial tool in the fight against poverty, and the progress of this area through joint efforts would essentially supply a genuine basis for sustained economic growth (Gerald et al., 2020).

SMEs are very important to a country's economy and, arguably, to the well-being of its society as a whole, since they are the primary drivers of economic development, new employment

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opportunities, and innovative solutions to societal problems (Saka & Chan, 2020b). Interestingly, it is seen as a breeding ground for new forms of entrepreneurship that support major companies' efforts to adapt by creating backward and forward connections for goods and services (Hillary, 2004). Many companies in the sector are large and technologically stable, while others are small and technologically innovative, each filling a necessary niche in the market for a different set of products and services. This is because the risks, markets, and technological breakthroughs in which SMEs must compete are becoming more complex and dynamic (Ma et al., 2022). Accounting for costs entails gathering data from a variety of sources before summarizing and assessing its quality and usefulness. Its purpose is to provide recommendations to upper management on what actions to take based on their cost-effectiveness and feasibility. The importance of SMEs to economic development in areas such as wealth creation, job creation, and poverty alleviation is widely acknowledged (Ali & Suleiman, 2016). Businesses of all sizes are crucial to the development, innovation, and prosperity of most emerging nations.

Small and medium-sized businesses (SMEs) are essential to the growth of any economy because of the opportunities they provide for fostering innovation and entrepreneurship at the local level and for integrating with larger industries (Yoo et al., 2019). Accounting for costs is collecting data, sifting through it, summarizing it, and then comparing it against other possible courses of action. Its purpose is to provide recommendations to upper management on what actions to take based on their cost-effectiveness and feasibility. Management may use the information provided by cost accounting to keep tabs on expenses, adjust strategies as needed, and prepare for the future (Le, 2022a).

The SME sub-contribution sectors to Nigeria's economic growth and development have been severely stunted due to the sector's chronic under-development. Unfavorable business environments, insufficient money, inadequate managerial skills, and a lack of access to technology are the four main problems plaguing small and medium-sized enterprises (Le, 2022b). The growth of a country's economy is directly tied to the success of its SMEs. This is due to the many positive effects that SMEs have on economies, including the creation of jobs, the spread of useful information and expertise, the acceleration of technological progress, and the formation of specialized groups known as clusters (Yoo et al., 2019). Because SMEs play such a crucial role in economic growth, it makes sense to examine the variables that influence their financial performance.

A proper accounting system is a well-organized, well-executed method of delivering reliable financial data and management. An efficient accounting system must be designed with regulatory requirements and internal administration policies in mind. Consequently, the outputs of an accounting system are the books, records, vouchers, files, and related supporting data (Ocloo et al., 2018). Process design is the art and science of planning the smooth movement of paperwork and financial dealings within an organization. Accounting systems need to be carefully designed, with special attention paid to the specific needs of small and medium-sized firms. There is a preponderance of SMEs throughout the economy's primary and intermediate output. These businesses have a significant effect on the economy, the nation's health, and the quality of life for its citizens since they provide jobs, generate income, and supply raw materials to multinational conglomerates (Dzisi & Ofosu, 2020). While they may not have the expertise to implement the more complex accounting procedures, even the most basic accounting software may provide significant value to even the most basic of firms (Dzisi & Ofosu, 2020). That's why she's doing this Study in SMEs—to fill a current need. Although the primary emphasis of these analyses is on the application of cost accounting to specific economic sectors. This research set out to examine the relationship between cost accounting methods and the economic success of SMEs in Rivers State.

Problem Statement

More specifically, only remote exists concerning the adoption of cost accounting procedures by SMEs in Rivers State (Dzisi & Ofosu, 2020; Le, 2022a; Oluwatoyin & Oluseun, 2014; Saka & Chan, 2020b; Tiep et al., 2021), and this is even though a lack of technical skills is just as much of a barrier to the growth of a small firm as (Mbogo, 2011). SMEs in Nigeria spans the entire spectrum of economic activity across all sectors, but they all face the same challenges when trying to perform well in Rivers State. These include limited access to capital, a lack of information, discriminatory laws, a lack of land, connections between industries, insufficient operational skills, an inadequate understanding of the market, and inadequate infrastructure.

Poor managerial competence, which includes accounting problem-solving, is another contributor to the demise of small and medium-sized businesses. Raising equity financing from financial institutions or people is challenging for small and medium-sized businesses. When a financial institution does agree to give equity money, it invariably comes with terrible terms. All of these factors contribute to the sector's lack of funding because of a shortage of capital. The high cost of available raw materials affects the prices of good food; Excessive competition in sales is a result of poor finance to cope with increased competition in the industry; The lack of competent management is a result of owners' inability to employ the services of experts; The use of obsolete equipment and methods of production is a result of owners' inability to access new technology. This lowers the company's revenue and its capacity to earn a profit. Infrastructure such as roads, power lines, water mains, and more is woefully insufficient. Numerous legislative and regulatory actions, including the elimination of fuel subsidies, taxes, and several levies on loans.

There is no firm, no matter how little, that doesn't need reliable accounting and internal control procedures. Even if they wanted to, most small firms simply don't have the resources to implement and maintain a sophisticated accounting system. Consequently, they may just have a single entry or a partial record of anything in their books (Battaglia et al., 2019). Accounting professionals have found that audits of small and medium-sized businesses are particularly stressful due to the often inadequate internal controls at these types of organizations. Therefore, researchers in Port Harcourt set out to determine what variables influence small and medium-sized enterprises and how widespread the use of contemporary accounting practices is.

Purpose of the Research

The purpose of this research is to analyze the financial health of SMEs in Rivers State through the lens of cost accounting. The following are the precise goals:

1. Examine how SMEs in Rivers State use marginal costing and how that relates to their return on assets.
2. To investigate the link between marginal costs and net profit margins in Rivers State SMEs.
3. Determine the link between Absorption Costing and ROA in Rivers State.
4. Analyze the correlation between Absorption Costing and the Net Profit Margin of Rivers State's small and medium-sized enterprises.

Research Questions

The research questions are as follows;

1. How do SMEs in Rivers State's economy do in terms of margin costs and return on the asset?
2. how do SMEs in Rivers State link between Marginal costs and Net Profit Margin?

3. How can small and medium-sized businesses (SMEs) in Rivers State benefit from Absorption Costing and Return on Assets?
4. How can SMEs in Rivers State benefit from absorption costing and the net profit margin?

Research Hypotheses

Following these specific aims, the following null hypotheses may be derived:

1. First, in Rivers State, we find no statistically significant connection between Marginal costing and Return on Asset.
2. Second, a correlation between marginal costs and a company's net profit margin in Rivers State was not found.
3. Absorption Costing and Return on Asset for Rivers State SMEs do not correlate in any appreciable way.
4. The Net Profit Margin of SMEs in Rivers State does not correlate significantly with Absorption Costing.

Literature

This section contains a summary of previous research on the topic. Topics discussed: the findings of an extensive literature review are presented in this section.

Conceptual Analysis

Based on an organization's unique assets, talents, competencies, and intangibles, the resource-based view (RBV) is an approach for assessing and recognizing its strategic advantages, as defined by (Le, 2022b). The focus of this approach is on the variables that are unique to each company. (Balushi & Locke, 2019) considers the business to be a collection of resources that may be leveraged to provide exceptional returns on investment. Competencies honed from such assets become a company's secret weapon once they've reached a certain level of maturity. The procedures, assets, capacities, information, and knowledge that are within the firm's control are all examples of resources as (Saka & Chan, 2020b) describes. According to (Hongxin et al., 2022), organizations should expect to see improved financial performance as a result of increased efficiency and effectiveness brought about by these resources.

To what extent corporate characteristics influence financial performance is a question that has sparked much debate among academics. Firm financial performance is argued to be affected by both industry structure (Saka & Chan, 2020b). Many researchers have recently shifted their attention away from studying industries as a whole and instead focusing on individual companies. Since cost management tactics are a component of organizations' underlying structures, they will be the primary focus of this research. The resource-based perspective is a theory that describes how the traits and circumstances inside a company affect its financial success (RBV).

Estimation Methods for Expenses

The word "cost accounting" refers to the practice of tallying up the money spent on something. It's a method of keeping track of and regulating expenses. Costs are categorized, analyzed, and interpreted. In other words, it's an accounting method that reveals details about how prices for goods and services are determined and managed (Asif et al., 2018). It is a gauge of how well the business is running. It's more of a behind-the-scenes thing here at the company. Accounting for costs to deliver cost information, statements, and reports for management decision-making is known as "Cost Accounting." According to the Institute of Cost and Management Accounting in London, "Cost accounting is the process of accounting from the point at which expenditure is spent or committed through the formation of its final link with cost centers and cost units (Ge et al., 2015)."

In its broadest sense, it includes gathering and analyzing data, implementing cost-cutting measures, and determining whether or not an endeavor will turn a profit. Ascertaining costs for the objectives of cost control and decision-making may be done with the help of costing procedures. They may be used for deciding whether to create or purchase anything, for bargaining, evaluating a good deal, and for gauging how well an item is (Al-Omoush et al., 2020). Estimating expenses is the goal of costing procedures. These methods are a set of guidelines for establishing prices for goods and services. The methods that should be used to examine costs and production procedures for various goods vary from sector to sector.

Costing on the Margins

To facilitate management decision-making, marginal costing (also known as variable costing and direct costing) is a method of cost data presentation in which variable and constant costs are shown in a disaggregated fashion (De Angelis et al., 2014). Because it helps management to zero down on the shifts that will occur as a consequence of the choice at hand, it is a crucial costing tool employed in deliberation (Pilloud & Heim, 2019). The Make or Buy choice, the acceptance or rejection of a special order, the elimination of a company line or segment, and the decision to outsource are all examples of decisions that benefit from this method. Marginal costing is the practice of breaking down total costs into their parts namely, variable and fixed cost to better inform managerial judgment. As opposed to popular belief, marginal costing is not a type of costing like process costing or job costing. In reality, it's just a technique for analyzing cost data for managerial guidance that looks for the impact of output volume changes on profits.

Budgeting for Expenditures (Absorbent)

To comply with GAAP, an organization must use the managerial accounting cost method known as absorption costing to expense all costs related to producing a given product. Manufacturing costs, also known as direct costs, include things like the salaries of the people doing the actual manufacturing, the cost of the raw materials, and the cost of any utilities that are directly related to making the product (Schöpperle, 2017). In absorption pricing, all expenses that directly contribute to the making of a product count toward the total. By using absorption costing, we may divide up the period's fixed overhead expenses among all of the period's manufactured goods. In contrast, fixed overhead expenses are broken down into separate line items when using variable costing (Schöpperle, 2017). While absorption costing can tell you how much each unit of output will set you back, variable costing can't. When computing net income, variable costing will result in a single payment for all fixed overhead expenses. Meanwhile, absorption costing will split fixed overhead expenses into two buckets: those that are related to COGS and those that are related to inventories (Duhan & Singh, 2018). Absorption costing is a technique that adds up everything that goes into making a product and then divides it out across the many items produced. A proper inventory value, as shown on a company's balance sheet, can only be calculated using this method of costing, which is mandated by accounting rules. All sorts of fixed and variable expenses could be incurred by a product. These payments are not deducted from a company's income in the month they are made (Rozsa et al., 2021). Instead, they serve as an asset in inventory until the inventory is sold, at which point they are added to the cost of goods sold.

Efficiency in Expenditures and Revenues

A company's financial performance is a subjective indicator of how efficiently it can use its assets in its core business and produce revenues (Ocloo et al., 2018). It is also a word for comparing aggregate industry performance or the performance of specific sectors or groups of companies across time. Based on the performance measurement concept, employees can boost a company's worth in a few different ways: by increasing the size of the company's future cash flows, by speeding up the receipt of those cash flows, or by making them more certain or less risky (Millennium Challenge Corporation, 2013).

There are a variety of methods for assessing monetary health, but the aggregate of these assessments is what matters. Ratios of various types can be used as measures of a company's financial health, including return on equity, liquidity, asset management, profitability, leverage, and market value. Even if financial performance is measured using a variety of indicators, such as accounting profits, productivity, and cash flow, as argued by (Duran & Tekes, 2021), this may still be justifiable because it reflects what managers consider to be financial performance. Profit/value-added; sales/fees; budget/expenditures; stock market/share price indicators; costs/expenditures; and independence are all measures of financial performance. Accounting measures of performance such as return on equity (ROE) and return on assets can also serve as surrogates for financial performance (ROA).

Financial Performance Indicators (Earnings After Taxes, Interest, and Depreciation)

Profit after deducting expenses like interest and taxes is known as "net profit." When discussing a company's success, this is the "bottom line" that everyone seems to be talking about. Net profit margin (net margin) is a ratio calculated by dividing net income by sales. The formula for the net profit margin is net profit minus taxes / total revenue. A high net margin year after year is usually a sign that a business has some kind of competitive edge (Makasi et al., 2020). Additionally, a healthy net margin may help a corporation weather economic storms. Profitability, in the context of business, is a measure of how much value a company has created in its field of operation. The viability of a company is typically measured by its profitability (Pham & Chiu, 2021). The profitability of an enterprise is primarily evaluated by looking at how well it generates profits. There are many different ways to define "profit," but for an investor, it's all about the return on his initial investment. To economists, it represents an incentive for business owners to take calculated risks. Profit, in the eyes of an accountant, is the sum of revenue (or income) above costs (or expenses) (Rana, 2015). According to (Capasso & Ferraris, 2021), profits are a useful metric for both managers and those evaluating their performance.

Investment Profitability Ratio

According to (Hartini et al., 2022), ROA is a dependent variable. It is calculated by dividing the net income (after taxes) by the total assets of the company. According to Emekekwue (2008), the purpose of the ratio known as return on assets (ROA) is to assess the profitability of a company by analyzing the revenue generated concerning its total assets. Formula: Profit Before Taxes divided by Total Assets According to the findings of (Hartini et al., 2022), return on assets (ROA) was chosen as the dependent variable because it is a measure of management performance. Return on assets (ROA) is calculated by dividing pretax profit by total assets, and this formula has been supported by numerous studies such as (Gudjonsdottir & Jusubova, 2015; Lutfi et al., 2022; Tiep et al., 2021; Yoo et al., 2019).

Analysis of the Data

Also, (Yapilami, 2021) is credited with conducting one of the earliest empirical studies of the effect of cost accounting techniques on the financial results of Jordanian publicly traded manufacturing firms (Khan et al., 2021). The research demonstrates that industrial firms achieved effective performance compared to the years previous using strategic costing strategies. Unfortunately, the research did not manage to find a way to reach an empirical agreement on the topic. (Cai & Yang, 2014) found a correlation between the size of a company and its level of ABC implementation in his research titled "Effects of Firm Size on Activity-based Costing Implementation in Nigeria's Manufacturing Sector." Therefore, it is suggested that future research look into the effect of other contextual factors like top-level management support, product diversity, and competition.

Activity-Based Costing System and Nigeria's progress toward vision 2020 were the subjects of research by (Khan et al., 2021). The study found, among other things, that ABC adoption is extremely low among Nigerian manufacturing firms, perhaps due to a lack of ICT, which threatens the country's progress toward the Millennium Development Goals (MDGs) known as Vision 2020. However, the research showed that ABC is superior to more conventional methods of cost accounting in terms of increasing productivity, decreasing overhead, and accurately pricing goods. (Gómez-Rico et al., 2022) speculated about how activity-based costing might affect the success of Saudi Arabian businesses. According to the results, ABC costing systems are widely used by businesses, especially private companies in the Riyadh area of Saudi Arabia. A majority of managers, however, believe that the ABC costing approach is useful for product development and ultimately results in reduced prices and better quality as well as easier installation and execution. Although several studies have been conducted on ABC and its effects on manufacturing businesses' overall performance, none have focused on the unique challenges faced by Nigeria's natural resources industries. The results of this research are meant to fill this need.

A 2021 study, (Devi Apriyani, 2021) looked at how SMEs apply MA strategies at various points in their development. To collect information, they used a mix of questionnaires and in-person interviews. Using an approach based on percentages, they observed that the majority of businesses increase their use of MA strategies during the expansion phase of their life cycle, but decrease their use during the contraction phase. The majority of the sample companies in Clinton and White's (2021) study on the application of MA techniques across industries in a given region rely on budgets for planning and control purposes and customer profitability analysis, while only a small percentage make use of other MA techniques like the discounted cash flow technique, activity-based costing, quality control costing, and target costing.

Methodology

The survey study was conducted in the Nigerian state of Rivers. A total of 1390 people took part in the study; this number includes 1,300 SSE operators, 70 accounting professors, and 20 practicing accountants. After being chosen via a rigorous multistage selection process, a total of 396 volunteers were able to take part in the study. Totaling 306 operators, this set was selected using the Taro Yamane technique from among all small-scale businesses in the three zones (Rivers North, Rivers East, and Rivers West). There are 102 businesses in the Rivers North area, and the same number in both the Rivers East and Rivers West regions. The overall number of participants, 396, included all 70 accounting professors from the five participating universities, as well as the 10 institutional accountants (Bursars and Deputy Bursars) and the 10 SME center accountants. To determine how many people to include in the study, we employed a multistage sampling strategy. To get started, the state of Rivers was sectioned up into three separate zones, each of which was designated to correspond to one of the state's geographical districts. It was assumed that there existed a separate cluster for each geographic area. Second, 102 participants were randomly selected from each cluster using quota sampling, for a total of 306 small company owners that took part in the study.

In the meanwhile, after the completion of the 396 copies of the questionnaire that were delivered to the respondents, 391 copies were swiftly retrieved, which represents about 98.7%

of the total. While the analysis of variance (ANOVA) statistic was used to assess the two null hypotheses at the 0.05 level of significance, the mean (x) statistic was used to offer responses to the research questions.

Results

One primary research question is: What are the most effective ways for small firms to deal with their present obligations in order to improve their financial performance?

S/N	Items	SSEs Op n=301		PACT n=20		EL =70		Total N=391		
		$\bar{x}$	SD	$\bar{x}$	SD	$\bar{x}$	SD	$\bar{x}$	SD	Rmk
1	Determine the most effective methods of credit management for your business.	03.32	00.78	03.24	00.84	03.23	00.63	03.28	00.90	A
2	Payouts to creditors are staggered depending on their relative importance, with the lesser-priority ones getting their money first.	03.22	00.68	03.26	00.36	03.12	00.80	03.10	00.68	A
3	Proceed with business as usual by just making payments to the company's principal suppliers.	03.31	00.67	03.50	00.71	03.31	00.85	03.23	00.72	A
4	Use sound fiscal management to free up cash for use in operating the company.	03.27	00.73	3.55	0.51	03.23	00.86	03.24	00.78	A
5	Adopt a policy of consistent cost cutting to lower outgoings and create funds for use in settling major debts.	03.31	00.75	03.23	00.50	03.17	00.77	03.14	00.80	A
6	Eliminating these extra, unneeded exchanges can greatly lessen the chances of billing errors occurring.	03.17	00.84	03.00	00.86	03.47	00.78	03.21	00.84	A
7	Make payment arrangements with your creditors, such as monthly installments.	02.99	0.88	3.05	0.94	3.00	0.92	2.99	0.89	A
8	Consistently paying your bills on time is a good habit.	03.11	00.88	03.30	00.80	03.13	00.88	03.12	00.87	A
9	Inability to make timely payments	03.24	00.94	02.95	00.99	03.47	00.79	03.26	00.92	A
10	There is a discount for prepayment.	03.24	00.86	03.70	00.47	03.31	00.86	03.27	00.85	A

11	You need a strategy for how you'll approach negotiations with vendors.	03.21	00.88	03.00	00.73	03.20	00.93	03.20	00.88	A
12	Verify that all Service Level Agreements (SLAs) are correctly represented in the accounts receivable and purchasing systems.	03.07	00.95	03.20	00.83	03.17	01.04	03.09	00.96	A
	Overall	**03.45**	**00.35**	**03.25**	**00.29**	**03.33**	**00.36**	**03.27**	**00.36**	**A**

Key:, Accountants (PACT), Teachers (AEL), and Managers (SSEs) Op= Owners of Micro and Medium-Sized Businesses, Where N is the total number of responders, X = mean, Standard deviation = sd, Comments = rmk, Agreement = aa

Table 1 displays mean values for items 1-12, all of which were more than the minimum threshold of 2.50 on a 4-point scale. This means that everything on the list is a tool for efficient accounts payable administration in SMEs. Responses to the items were not too distant from the mean or from one another, as indicated by the standard deviations, which varied from 0.75 to 0.96.

This leads us to our second research question: How can SMEs better manage their accounts receivable to boost their financial performance?

Table 2 shows the average and standard deviation of ratings given by respondents to several metrics of accounts receivable management with the aim of enhancing the financial performance of small businesses. N=391

S/N	Items	SSEs Op n=301		PACT n=20		AEL n=70		Total N=391		
		$\bar{x}$	SD	$\bar{x}$	SD	$\bar{x}$	SD	$\bar{x}$	SD	Rmk
1	Make a fair plan for issuing credit.	2.85	0.99	2.70	0.98	2.59	1.03	2.80	0.99	A
2	Customers who are eligible for credit are selected at will.	3.21	0.67	3.10	0.85	3.07	0.73	3.18	0.69	A
3	Clarifying in a sales contract how long a consumer has to pay off a purchase they have made	3.07	0.52	3.25	0.44	3.00	0.59	3.07	0.53	A
4	Efforts are being made to ensure that all clients are aware of the company's debt policy.	2.89	1.03	2.70	1.17	2.79	0.96	2.86	1.03	A
5	Lessening the strictness and severity of a company's debt regulations in order to entice clients once the debt payment term has ended.	3.22	0.80	3.15	0.88	3.03	0.88	3.18	0.82	A
6	Building strong client connections through the establishment of a sound corporate credit policy.	3.46	0.78	3.35	1.04	3.13	0.92	3.39	0.83	A
7	Customers will receive a cash discount if they pay in advance of the due date.	3.14	0.58	3.05	0.39	2.94	0.66	3.10	0.59	A

8	Rewarding consumers who pay their bills on time with prizes and freebies.	3.51	0.79	3.60	0.75	3.20	0.91	3.46	0.82	A
9	Maintain cordial ties with clients who punctually settle your company's debt obligations.	3.53	0.80	3.61	0.75	3.17	0.96	3.46	0.84	A
10	It is important to keep an eye on debt performance ratios like the average time it takes to collect from a debtor and the debt's ageing schedule.	3.29	0.72	3.21	0.70	3.19	0.73	3.27	0.72	A
11	Start promoting effective other debt settlement choices that clients may desire.	3.53	0.50	3.60	0.50	3.54	0.50	3.53	0.50	A
12	In order to promote debt consolidation, a similar trade discount should be provided.	3.51	0.64	3.65	0.59	3.49	0.65	3.51	0.64	A
13	It's important to verify the clients' creditworthiness before extending loans.	3.47	0.57	3.70	0.47	3.39	0.64	3.47	0.58	A
14	In search of a minimum waiting period before claiming credits.	3.55	0.50	3.60	0.50	3.50	0.50	3.55	0.50	A
15	Provide discounts or other incentives to clients who pay on time.	3.07	1.20	2.90	1.37	3.16	1.12	3.08	1.19	A
16	Making sure that credit management and debt collection actually yield useful results.	3.28	0.87	3.15	0.88	3.27	0.90	3.27	0.88	A
17	Consistent with the general trajectory of the most important elements influencing the consumers' and the industry's bottom lines.	3.02	0.91	2.90	1.07	3.16	0.96	3.04	0.92	A
18	The provision of credit ratings for various enterprises.	3.13	0.88	3.45	0.51	3.19	0.92	3.16	0.88	A
19	The ability of vendors to view payment histories from a variety of clients.	3.26	0.86	3.60	0.60	3.29	0.74	3.28	0.83	A
20	Recognizing the degree of reasonable collateral in return for granting credit to clients.	3.14	0.86	3.55	0.60	3.23	0.66	3.18	0.82	A
	Overall	3.45	0.28	3.50	0.26	3.45	0.28	3.45	0.28	A

Professional Accountant, Accounting Lecturer, Senior Executive Small-business owners and operators are referred to as "Ops." Where N is the total number of responders, X = mean, Standard Deviation = sd, Comments = rmk, Agreement = aa

Mean values for items 13–32 ranged from 2.80 to 3.55, as shown in Table 2, suggesting that participants mostly agree that all of the items are ways to enhance the efficient handling of accounts receivable for SMEs in Rivers State. Responses were generally consistent with the mean and within a small margin of error, as shown by standard deviations in the range of 0.50 to 0.19.

For the purpose of improving the financial performance of Small Scale Enterprises in Rivers State, there is no statistically significant difference between the mean responses of professional accountants, accounting education lecturers, and SSEs operators on the measures for managing accounts payable, according to H_{01}.

Table 3 shows the analysis of variance (ANOVA) statistic used to compare the average replies of SSE operators, professional accountants, and accounting education lecturers to questions on how to manage better accounts payable to boost the financial performance of SSEs in Rivers State.

	Sum of Squares	**Df**	**Mean Square**	**F**	**Sig.**
Between Societies	.070	2	.035	.312	.732
Regarding Collecting	43.552	388	.112		
Total	43.622	390			

Table 3 reveals an F-ratio of 0.312, with a significant value of 0.732, from the ANOVA analysis. The significance level used in the test of the hypothesis was determined to be 0.05, hence the value of 0.732 was considered to be statistically significant. Therefore, the null hypothesis (H01) was not rejected, which stated that there is no significant difference between the mean responses of SSE operators, professional accountants, and Accounting education lecturers regarding measures for effective account payable management for the improved financial performance of Small Scale Enterprises in Rivers State.

Measures for improving the financial performance of SME's in Rivers State through better account receivable management do not differ significantly between the average replies of SME owners/managers, CPAs, and accounting professors/professors, supporting hypothesis H_{02}.

Table 4 shows the analysis of variance (ANOVA) statistic used to test whether there is a significant difference between the means of responses from SSE operators, professional accountants, and accounting education lecturers regarding how to better manage accounts receivable to boost SSEs' bottom lines in Rivers State.

	Sum of Squares	**Df**	**Mean Square**	**F**	**Sig. value**
Between Groups	.060	2	.030	.392	.676
Within Groups	29.652	388	.076		
Total	29.712	390			

According to Table 4, the F-ratio for the ANOVA test is 0.392, and its significance level is 0.676. Assuming a significance threshold of 0.05 for the hypothesis test, the value of 0.676 is statistically significant.

The results of this study did not support the rejection of the null hypothesis (H02), which stated that there would be no significant difference between the mean responses of SSE operators, professional accountants, and Accounting education lecturers regarding measures for managing accounts receivables in SSEs in Rivers State.

Discussion of Findings

The answers to the first research question of the study pointed to the forms of credit management policies that are suitable for the organization. Creditors are prioritized based on their importance and are either paid immediately or put on a later timetable. The corporation must only do business with its big suppliers, even if it owes them money. Efficient financial management that frees up funds for the business' operations is one way SSEs increase their chances of survival. Consequently, it can be concluded that all of the items were endorsed by respondents as effective means of controlling accounts payable to boost the efficiency of SMEs (SSEs). This finding is consistent with research by Enow and Kamala (2016), which found that small and medium-sized enterprises (SMEs) would rather pay in cash or on time when using trade credit. This could indicate that SMEs have less leverage when negotiating with suppliers, who may view SMEs as high-risk ventures and be hesitant to extend trade credit. Similar to the findings of Tauringana and Afrifa (2013), who found that the three WCM components (inventory holding duration, accounts receivable period, and accounts payable period) all had concave associations with performance across all SMEs. When analyzed separately, however, the data indicate that WCM is more crucial to the success of "small" enterprises than "big" ones. These indicators may prove useful to SSE operators as they seek to optimize their companies.

Research Question 2: What are some effective methods for improving the financial performance of small businesses via better management of their accounts receivable? Developing a workable credit strategy, picking and choosing which clients to issue credit to, and laying down the terms of the loan length in sales and service contracts (SSCs) are all important considerations. Findings are consistent with research by Mbula et al. (2016), which found that businesses with strong credit policies and effective debt collection procedures had better financial performance and higher productivity, the latter of which resulted from higher market total sales. Accounts receivable analysis, as reported by Kharabadze and Jikia (2018), should consider the following points: the nature of receivables; the likely amount of receivables; the implementation of a sound credit policy; the aging of receivables; and the creation of a mechanism for matching receivables and payables. On the one hand, a more liberal credit policy means more work for the company in the form of customer analysis, aging, and, ultimately, more costs. However, there are downsides to having a stringent credit policy. Consequently, as can be seen from the result of the null hypothesis one test, there was no statistically significant difference between the mean responses of SSEs operators, professional accountants, and accounting lecturers on measures of managing account payable and receivable for improved financial performance of small scale industries in Rivers state.

Conclusion

Measures for managing accounts payable and receivable to boost the financial performance of SMEs in Rivers State, Nigeria, were the focus of this research. Using the methods determined by this research, one may effectively manage their accounts receivable and accounts payable. The study indicates that timely and accurate invoicing metrics are an important part of accounts payable and receivable management, which in turn helps small businesses avoid bad debts and boosts their liquidity. If the identified interventions are implemented properly, they will encourage SSEs not just in the research area, but throughout the region. Therefore, the constant application of strategies recommended in the study is essential for good administration of account payable and receivable in small firms.

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