

Willingness of Muslim Owners/Managers of Smes to Seek Capital Market Financing

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Abstract : Capital markets play a very important role in financing of private and public institutions in both developing and developed economies. Unfortunately, small and medium enterprises (SMEs) in those economies are yet to fully utilize the markets to finance their long financial needs. This study assesses the factors that influence the decisions of the Muslim Owners/Managers of SMEs in Nigeria and specifically in Kano to seek capital market financing. Logit regression model was used to assess the factors such as control of ownership, perception of the owners/managers on the interest rate charged by commercial banks, educational qualification, size, and age of the SMEs. The study reveals that all the factors have significant positive influence on the willingness of the SMEs Owners/Managers to seek capital market financing. The study recommends educating the Owners/Managers on the operations and products of the markets.

Keywords : capital markets, capital market financing, small and medium enterprise and willingness, size of an enterprise, age of an enterprise and control of ownership

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