



**FACTORS INFLUENCING INVESTMENT DECISIONS AMONG SMALL SCALE
ENTERPRISES IN NAKAWA DIVISION KAMPALA DISTRICT UGANDA**

NAKITTA CLAIRE AGNES

REG NUMBER: 2014/HD06/1872U

STUDENT NUMBER: 210008276

**A RESEARCH REPORT SUBMITTED TO THE COLLEGE OF BUSINESS AND
MANAGEMENT SCIENCES IN PARTIAL FULFILMENT OF THE
REQUIREMENTS FOR THE AWARD OF DEGREE OF MASTERS OF BUSINESS
ADMINISTRATION OF MAKERERE UNIVERSITY**

JANUARY 2017

ABSTRACT

The purpose of the study was to examine the factors that influence investment decisions in Small Scale Enterprises (SSEs) in Nakawa division. This was driven by the fact that profitable investment decisions among small scale enterprises enhances economic growth and development of the country and it is widely acceptable by policy makers and scholars.

The study was guided by two objectives which include; - to identify factors influencing investment decisions in SSEs in Nakawa Division and to identify the challenges of investment decisions in SSEs in Nakawa Division. The study used a quantitative survey research design which was cross-sectional, non-experimental in nature and the unit of analysis was operators of licensed small scale enterprises in Nakawa division in Kampala district. Primary data was collected from operators of licensed small scale enterprises using questionnaire survey anchored on likert scale range and was analyzed using SPSS to generate descriptive including frequency tables, mean and significance level. Findings from the study indicated that majority of the respondents agreed that, need to earn more money; available opportunity and evaluation of enterprise profitability significantly affect investment decision. Challenges that include; finding the appropriate location for the business, inadequate financial resources, and getting the relevant license for business adversely affects investment decision and were statistically significant. However, the dominant strategies were person saving, identifying skilled employees before starting, conducting market research before, establishing what the competitor does to date, consultation from the successful entrepreneur, making a business plan in advance, government engagement, seek for basic book keeping skills, positive belief in the business, proper planning, starting early, and gain relevant skills from paid employment before venturing into personnel business. The study recommends that government and other stake holders should train entrepreneurs on how to make profitable investment decision to achieve economic growth and development.