

**ACCOUNTING SKILLS REQUIRED BY BUSINESS EDUCATION STUDENTS IN STARTING UP SMALL SCALE BUSINESS IN OYO STATE****BY****Hassan Tolani Agboola: Department of Business Education, Tai-solarin University of Education;  
E-mail: hassantolari@gmail.com****&****Gbadegesin Afeez Akinade: Department of Business Education, Oyo State College of Education,  
Lanlate, Oyo State; E-mail: afeezgbadegesin@gmail.com****Abstract**

*This study focused on accounting skills require by Business education students in startup small scale business in Oyo State necessitated by needs to equip Business Education students with accounting skills for the successful of business operation for entrepreneurship. Two research questions were raised to guide the study, and three null hypotheses were tested at 0.05 level of significance. Descriptive survey research was adopted. The entire population of 2000 was used for the study. 10 items research questions were used for the study. t-test were used to test hypotheses. Finding indicates that business education students need accounting skills in startup business. It was recommended that business educators should be more creative and innovative in their instruction to their students with relevant on record keeping, ledger account, simple final account, that will help them succeed for self-employment, curriculum designers should include more accounting courses on entrepreneurial success and provision of adequate facilities by government for practical entrepreneur.*

**Keywords: Entrepreneurial competency, Financial Skills, Self-reliant, Unemployment**

**Introduction**

Entrepreneurship and accounting skill is one of the key factors in achieving smooth small scale ventures in Nigeria accounting skills cannot be over emphasized in business enterprises Adejumo, (2001). Entrepreneur education impact skills and knowledge to be known in business startup especially small scale business in Nigeria context. Entrepreneurship education Omotayo (2006) is a structured formal conveyance of entrepreneurial competencies which in turn refers to the concept, skills and mental awareness used by individual during the process of starting and developing their growth-oriented ventures. Manager in an organization need to know how to managing cost, cash flow, invoices. For many organization, accounting influence nearly every facet of business management whether you are applying for a business loan or grant, managing payroll and employee benefits, paying expenses like rent and utilities, invoicing vendors, seeking investors or projecting growth, accounting will form the basis of everything (Akande, 2011).

Alberts, Sciascia and Poli (2004) examined that entrepreneurship education is a life-long learning process and consists of five stage which are basic, competency, awareness, creative application, startup and growth. In forming a new business you need human and capital resources. It is imperative for entrepreneur to find all the resources in the environment in order to provide financial information and social capital. Researchers analyzed six types of entrepreneurial competencies in term of entrepreneurial personality trait which include opportunity, relationship, conceptual, organizing, and strategic and commitment. Aina,( 2005) explained accounting skills for enterprises which are managing cash flow, the time-tested saying cash is king really is true. For many businesses especially new ones cash prove to be one of the most critical assets, it serves as the fuel to the company engines. Maintaining a balance sheet, the balance sheet provides a snapshot of a company financial health at a particular point in time. It allow those interested in the business to quickly see what resources were financed (Okoli,2013). Accounting enable entrepreneur identifying a path to profitability it mean how much money left after the expenses might have been incur. Also forecasting the future of the business in order to grow responsibly and successfully, an entrepreneur must be capable of making prediction about the future of their business

(Aina & Salako, 2008). Accurate prediction about future revenue, future operating cost, future resources need and future profits level.

The accounting profession has been described as the backbone of business. This because in the words of Nnadi (1991) business organizations use accounting information to plan and control their activities and to report the results of these activities to shareholders, creditors, labour union and government agencies. Non-profit organizations such as churches and clubs also use accounting information for planning, conducting and reporting their activities (Inegbenbor 2006). Accounting profession speaks the language of business as it records all transaction of organizations that have monetary implications. Olaleye (2005) opined that accounting skills are the totally of skills ranging from record keeping, directing financial management and reporting skills that are expected to promote effective decision, performance evaluation and business reporting of any business enterprises. Akande (2011), further stated that directing skill enables the owner to make vital decision on production and pricing issues while reporting skills describe the method and technique by which business information are reported to the stakeholders of the business.

### **Relevance of Accounting to Entrepreneurship Education**

Omolayo (2006), explained the relevance of accounting to entrepreneurs and SMEs can be better appreciated when one considers its role in business management. These contributions are:

1. A good accounting system will ensure that error and fraud are detected
2. Accounting provides financial information on the basis of which business organization plan and control their operations as well as make decision
3. It has been described as language of business that record all transaction organizations that have monetary implications
4. It is use to analyzes and interpretation of final accounts in order to assess the financial condition and commercial soundness of the business to which the account relate

### **Statement of the Problem**

Ifechukwu, (2006) explained that accounting skills are the major factors that determine the success of the business, many business education students that acquire this skills will be self-reliant and employer of labour. Major problem we have in Nigeria is youth unemployment and the only solution is to have the accounting skills. Omolayo, (2006) observed that the aim of business education may not yet achieved until the entrepreneurial competency and accounting skill is integrated. Business fail because of student lack accounting skills therefore this study identify accounting skills require by business education students in start-up small scale business in Oyo State.

### **Purpose of the Study**

1. To determine the accounting skill required by business education students in startup small scale business.
2. To determine how accounting skills improve the performance of business in startup by business education students in small scale business

### **Research Questions**

1. What are the accounting skills required by business education students in startup small scale business?
2. How accounting skills improve the performance of the business?

### **Hypotheses**

HO1: There is no significant difference in the mean rating of male and female respondent on the accounting skill required by business education students in startup small scale business

HO2: There is no significant different in improve the performance of business through accounting skill in startup small scale business

**Methodology**

The respondents used for the study were taken from three colleges of education, namely, Emmanuel Alayande College of Education business students, College of education Lanlate, and Federal College of education (Sp) Oyo, 2000 students were taken from the three college of education. The table below

**Table 1: Population of the Study**

School	Level	No of Students
Emmanuel Alayande College of Education, Oyo	300level	700
College of Education. Lanlate	300 Level	800
Federal College of Education (Sp) Oyo	300 Level	500
<b>Total</b>		<b>2000</b>

This analysis consists of two sections which is demographics analysis and research hypothesis analysis sections

**Results**

This section is based on simple percentage % and consists of demographics aspects of the questionnaire

**Table 2: Gender of Respondents Analysis**

	No of respondent	Percentage
Female	1,200	60%
Male	800	40%
Total	2000	100%

The table above shows the respondents gender analysis where the female respondents carries the largest percentage of 60 and the male respondents carries 40% out of 100% at total

**Table 3: School Analysis**

	No of respondents	Percentage
Emmanuel Alayande	700	35%
College of education Lanlate	800	40%
Federal College of Education	500	25%
Total	2000	100%

This table analysed the percentage of respondents from each schools that which the research is based. The number of respondents from Emmanuel Alayande College of Education Oyo is 700 with 35%, College of Education, Lanlate is 800 with 40% and Federal College of Education Oyo with the lowest number of respondents and percentage which are 700 and 35 respectively

**Research Hypotheses Analysis**

This section consists of three research hypotheses analysis 't' distribution is used to test the hypotheses in this section. The formula to be used for the analysis is as thus:

$$t = \frac{\bar{x} - \mu}{s_{\bar{x}}}$$

$$s_{\bar{x}}$$

t= 't' distribution

$\bar{x}$ = Mean

N= Total number of research questions

$s_{\bar{x}}$ = Standard errors of mean

**Hypothesis 1**

H<sub>01</sub>: There is significant different in the mean rating of the financial skills requires by business education students in startup small scale business

There are three research questions under this research hypothesis with 5% level of significance.

**Table 4:** Different in the mean rating of the financial skills requires by business education students

	F	X	Fx	$(x - \bar{x})$	$(x - \bar{x})^2$
Bad	1	300	300	-110	12,100
B/Average	2	400	800	390	152,100
Good	3	550	1650	1240	1,537,600
Better	4	350	1400	990	980,100
Best	5	400	2000	1590	2,528,110
E	15	2000	6150	4100	5210,000

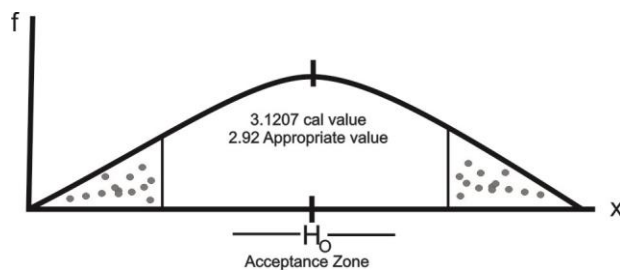
$$\text{Degree of freedom} = \frac{N-1}{3-1} = 2$$

The artificial value of one tailed test at the 5% level of significance for 2 degree of freedom is 2.92

The calculated t score, -3.1207, less than 2.92, we can accept the null hypothesis which states that there is no significant different in the mean rating of the financial skills requires by business education students in startup small scale business

**Table 5:** Null hypothesis Alternative

Hypothesis	Level of significance	Degree of freedom	Cal-value	Decision
Null hypothesis				
Alternative hypothesis	5%	3	3.1207	Accept null hypothesis



Hypothesis 2 (HO2): There is no significant different in the mean rating of the accounting skill improve performance in startup small scale business for business education students.

These research questions under this research hypothesis is 3 with 5% level of significance.

**Table 6:** Different in the mean rating of the accounting skill improve performance

	F	X	FX	XIX	/X-X/2
Bad	2	200	200	-210	44,100
Below average	4	350	400	990	980,100
Good	6	700	4,200	3,790	14,364,100
Better	8	500	4,000	3,590	12,888,100
Best	10	250	2500	2090	4,368,100
E	30	2000	12300		32,644,500

$$\text{Degree of freedom} = 3-1=2$$

The critical value of one tailed test at the 5% level for 2 degree of freedom is 2.92

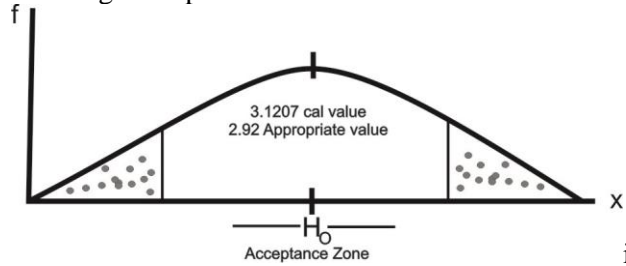
The calculated t score, .1.25, is less than 2.92, we can accept the null hypothesis which states that there is no significant different in the mean rating of the communication skills training by business education students in startup small scale business.

**Table 7:** Null hypothesis

Decision	Degree of freedom	Position
Accept the null hypothesis	2	Cal- 1.25
Null hypothesis		5%e 2.92

The attitude hypothesis is being rejected since the calculated value is lower than the critical value.

Drawing to be placed here



Since, the null hypothesis falls into the acceptance zone, there is no significant different in the rating communities

### Discussion

The finding of the study revealed that accounting skills are needed to a high event by business education students in startup business in Oyo stated for self-reliance. This finding confirms the view of Akpotowoh and Amahi (2006) and Salome (2012) that accounting and financial skills are very vital for entrepreneurial success. Also, the fact that there was no significant difference in the mean rating of the financial skill require by business education students in startup small scale business. This means that gender has significant effect on the respondents views and could be due to the fact that males are more entrepreneur than female ones.

### Conclusion

Accountants are one of the major stakeholders in the management of business in an organization, from the findings of the study it is concluded that accounting skills play a major role in driving the financial activities of managing entrepreneur and therefore application of accounting information enable the entrepreneur know the profitability and financial position of the business. Entrepreneurship is the key to drive our economy, through accounting skill it makes business stable and progress.

### Recommendations

In line with the findings of the study and conclusion drawn, the following recommendations were made

1. Business educators should be more creative and innovative in their instruction to their students with relevant entrepreneurial skills to help them succeed in self-employment
2. Business educators curriculum designers should include more courses on entrepreneurship training and development to give the graduate proper grounding on skills that will enhance their entrepreneurial success
3. Government and other stakeholders in tertiary institutions should endeavor to provide adequate facilities and laboratories to facilitate the practical entrepreneurial activities for business education students to motivate them to go into entrepreneurial ventures on graduation.

### References

- Adejumo, G. (2001). Indigenous entrepreneurship in Nigeria characteristics problems and prospect. *Advance in management. Journal of Department of Business Administration*, 2(1), 112-122
- Adidu, F.S. & Olaniyi, P.A. (2006). Basic small business entrepreneurship. A modern approach, Agbor Royal publication
- Agboola, J.O. & Ademiluyi, L. F. (2011). Communication competencies needed for successful entrepreneurship: An implication for Business Education. *Business Education Journal*, 4(1) 155-160.
- Aina, B.S. & Salako, H.A. (2008). Determinant of foreign direct investment in Nigeria: an empirical investigations. *CBN Economic and Financial reviews* 39, (1) 30-46.

- Alberti, F, Sciscia, S. and Poli, A. (2004). *Entrepreneurship education: Notes on an ongoing debate*, proceeding of the 14<sup>th</sup> Annual International Entrepreneur Conference, University of Napoli Federico II, Italy
- Ifechukwu, J.A. (2006). *How to prepare a feasibility study report and establish your own business*, Lagos, Goldhand Business Company.
- Inegbenebor, A. U. (2006). *The fundamental of entrepreneurship Lagos*, Mathouse press limited.
- Ogundele, O. J., Akingbade, W. A., & Akinlabi, H. B. (2012). Entrepreneurship Training and Education as Strategic Tools for Poverty Training Alleviation in Nigeria, *American Journal of Contemporary Research*, (2), 148-156
- Okoli, O. (2013). *Capacity building entrepreneurship development* paper presented at College of Education Warri
- Olakeye, S.S. (2005). *Small scale business*. Ibadan: Ejon Publisher Limited
- Omolayo, B. (2006). *Entrepreneurship in Theory and Practice*. In F. Omotosho, T.K.O. Aluko O.I. Wale Awe and G, Adaramola (eds). *Introduction to Entrepreneurship development in Nigeria*, Ado-Ekiti: UNAD press.