ENTREPRENEURIAL FINANCING AND NIGERIAN ECONOMIC GROWTH: AN EMPIRICAL ANALYSIS

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Abstract

The crucial problem identified with entrepreneurship financing in Nigeria is the low level of financing of the entrepreneurial ventures in the nation which has hampered the level at which the entrepreneurs have contributed towards the nation's employment and GDP rate, which is relatively low. The main objective of the study is to examine the impact of entrepreneurial financing on GDP in Nigeria for a period of 1998-2018. and the specific objectives is to examine the impact of Micro finance bank credit, Deposit money banks loan and advances to SMEs on GDP in Nigeria and also to examine the impact of Small and medium scale enterprise access to credit facilities on GDP in Nigeria. Secondary data originated from the Central Bank of Nigeria statistical bulletin 2018 while the linear regression equation model was used to analyze the data. The outcome of the results shows that there is 0.514 (51.4%) positive relationship between the dependent variable (Gross domestic product) and independent variable (Entrepreneurial financing) as seen in the "R" column while the adjusted "R-square" column indicates that 0.264 (26.4%) of the independent variables explains better the dependent variable while 73.6% remaining represent the independent variables that are not discussed explains the dependent variable. The study therefore recommended that, government and relevant monetary institutions should create policies and also foster the activities of the Micro finance banks and enlarge the purse of deposit money banks towards the funding of entrepreneurial activities.

Keywords: Small and Medium Enterprises (SMEs), Gross Domestic Product (GDP), Deposit Money Banks (DMBs), Micro Finance Bank Credit (MC).

Introduction

Entrepreneurship plays a vital function in the growth and expansion of any contemporary economy. Entrepreneurship is the engine of economic growth and a driving workforce of decentralization, well structured economy and movement towards the direction of a market economy. Conceptually, entrepreneurship is acting upon previously unnoticed profit opportunities to produce a new output. Entrepreneurs bear the risk associated with economic development because they undertake new ideas and commit resources into new business venture, from which substantial rewards are expected, both immediately and in the fore seeable future economy (Kirziner 1973; Ogbo & Nwachukwu, 2012).

In positioning entrepreneurship as a veritable tool for driving self-sustaining industrial improvement, it is often predicted within the cadre of small and medium scale enterprises (SMEs). Entrepreneurship is linked with SMEs because they are the major developing force of the developed market economies. SMEs provide the action needed for industrial boom and economic growth that is why most policy interventions, mainly in a developing country like Nigeria, are often focused towards encouraging entrepreneurship development through the context of small and medium scale enterprises. Also, SMEs are generally similar with indigenous businesses because they possess the capability to grow an indigenous enterprise culture more than any other strategy (Ebiringa, 2011; Odufayo, 2010).

Gross Domestic Product (GDP), measures the national income and output for a given country's economy. Gross domestic product is the money value of goods and services provided by the residents of a country during a given year irrespective of their nationality (Ajibola, 2012). The actions of entrepreneurs had undoubtedly contributed immensely in the growth and development of the country. This contribution can be perceptible when we aim at the impact of variables such as gross domestic product, employment creation, and per capita income (Farayibi, 2015). Entrepreneurs are constantly on the outlook for opportunities. They examine and exploit opportunities, encourage efficient capital and skill resource mobilization, which will lead to the innovation of new products and services and encourage development of the market economy. In this way, they help increase gross domestic product and also the per capita income of the citizens of a country. Increase in gross domestic product and also per capita income is a signal of economic growth (Farayibi, 2015).

The role of finance cannot be over-emphasized in the expansion of entrepreneurship and Micro small and medium scale enterprises (MSMEs). The environments which entrepreneurial activities are propagated contribute vitally to the development of private sector. Consequently, conditions that are favorable constitute the basis for the survival, increase and competitiveness of entrepreneurship development (UNESCAP, 2012). Availability and access to adequately, sustainable funds therefore is crucial for entrepreneurs and small and medium enterprises (SMEs) in line with the fact that the life cycle of businesses require various needs for cash, taken cognizance of the beginning, growth and transition stages of development (Okpala, 2012). The crucial problem identified with entrepreneurship financing in Nigeria is the low level of financing of the entrepreneurial ventures in the nation which has hampered the level at which the entrepreneurs have contributed towards the nation's employment and GDP rate, which is relatively low. Also, preceding this is the scarcity of funding due to lack of loan, collateral security available to entrepreneurs in the country (Central Intelligence Agency, 2014).

Inability to access credit is also a major crucial challenges facing Nigerian entrepreneurs because they are hindered by dearth of collateral, non-existence of previous track records for business appraisal, occasional lack of cognate experience (Somoye, 2013).

The nation has been faced of recent with a rising rate of economic vices which include; moral decadence and high rate of criminality amongst youths, prostitution, drug trafficking, armed robbery, hostage taking, militancy, terrorism as emphasized by Ovat (2013) and so many other problems which is largely attributed to the wide unemployment rate facing the nation which stood at 10.4 percent as indicated by the National Bureau of Statistics (2018) showing little to no growth in the level of enterprises. Current framework of the subject matter of this study takes into relative consideration the activities of developing nations like Nigeria which houses the prevalence of the aforementioned challenges.

The main objective of this research work is to determine the impact of Entrepreneurial financing on Gross domestic product in Nigeria. While the specific objectives are as follows;

i. To determine the impact of Deposit money banks loans and advances to SMEs on Gross domestic product in Nigeria.
ii. To determine the impact of Micro finance bank credit to SMEs on Gross domestic product in Nigeria.
iii. To determine the impact of Small and Medium enterprises access to finance facilities on Gross domestic product in Nigeria.

The following questions were asked in the research work;

i. To what extent does Deposit money banks loans and advances to SMEs contribute to Gross Domestic Product in Nigeria?
ii. To what extent does Micro finance bank credit to SMEs contribute to Gross Domestic Product in Nigeria?
iii. To what extent does Small and medium enterprises access to finance facilities contribute to Gross Domestic Product in Nigeria?

The following null hypothesis was tested in the research work;

H_{o1}: Deposit money banks loans and advances to SMEs has no significant impact on small and medium enterprises contribution to GDP in Nigeria.
H_{o2}: Micro finance bank credit to SMEs has no significant impact on small and medium enterprises contribution to GDP in Nigeria.
H_{o3}: Small and medium enterprise access to finance has no significant impact on small and medium scale enterprises contribution to GDP in Nigeria.

Literature Review

Conceptual Framework

The word “entrepreneur” stems from French and it literally means 'between-taker' or 'go between'. Although from this original meaning the concept has undergone different, though restrictive meaning over time, including a person who manages a large scale production projects, a person who bares the risk of profit or loss by venturing into a contractual arrangement in which the government performs a service like supplying stipulated products with a fixed-price (17th century), a person who is in need of finance for his operations (18th century), and a person who organizes and operates a business for his personal, and an innovator (19th and 20th century), today the concept is used in a much more inclusive sense and is generally associated with a person who does all the above and much more. Thus, an entrepreneur is one who has a “third eye”, that enables him or her to see opportunities that others cannot perceive, an innovator who creates something new (a product, a service, an idea, a business, etc.) that is of value both to himself and to society, by obtaining and organizing the relevant factors of production (land, labour, capital, etc.), one who devotes substantial time, efforts and other commitments to nurture that "something new" and make it functional or operational (as the case may be), one assumes a variety of risks (e.g. financial, emotional, psychological, social, etc.) associated with his pursuit or enterprise and one who obtains the rewards of his efforts (including monetary rewards, personal independence, personal satisfaction and also being one own boss, etc.) (Hisrich, 1986).

Entrepreneurial Financing

A successful entrepreneurial process revolves around the development of opportunities, assembling necessary assets, funding resources, human effort, managing and building operations with the sole aim of value creation. Leach and Melicher (2010) conceptualizes entrepreneurial financing as the application and adaption of financial tools, techniques and principles to planning and financing operations and also valuation of an entrepreneurial enterprise. In essence, entrepreneurial financing laid accent on the monetary management of a venture as it undergoes the entrepreneurial process. Access to funds can help entrepreneurial ventures to kick-off and boost their businesses through the enhancement of new production processes, new products and investment in human capital.

Pretorius and shaw (2004) opined that access to funds from internal or external sources and concludes that these constitutes the key determinant of a business set up, development and rendition for entrepreneurial ventures.

Eniola and Entebang (2015) opined that internal funding involves entrepreneurs getting their own capital, mainly from savings, reserved profits, depreciation and sale of assets, which form a critical part of the survival and entrepreneurship improvement. They delibrated that more profitable SMEs make use of external sources of funding like individual investors, financial banks, venture capital and crowd-funding to become successful in their entrepreneurial pursuits. Thus, merchant, deposit money bank, micro finance bank and development banks respectively constituting formal sources of external financing which can take the form of debt or equity.

Klapper, Laeven and Rajan (2006) opined that as the business starts to grow, funding from external sources become imminent and their availability decisively determine the growth path of SMEs. Entrepreneurs and SMEs result to external sources of funding such as: Government sponsored programs/grants, business loan from banks, professional investors (venture capitalists, angel investors and corporate investors), the equity market and initial public offering (IPO) to meet their funding needs. A cursory look at SME financing reveals that funding for the SME sub-sector is derived from micro-finance banks, deposit money banks (DMBs), governments and agencies in the dimension of soft loans and interventions. Ketley, Lightfoot, Jakubec and Little (2012) posited that though Nigeria remains a large and fast growing economy with a relatively competitive banking sector, however credit advancement to the SME sector is extremely small with loan to the sector representing about 5% of the total loan portfolio of deposit money banks despite MSMEs contributing about 54 percent to the Gross Domestic Products (GDP) of Nigeria. In the same vein, CBN (2018) estimated that less than 10% micro; small and medium enterprises took loan from DMBs. The report also reveals that only 3% of SME's working capital and 2% of their fixed assets were financed from private funding sources, thus creating a substantial financing gap.

Theoretical Framework

Liquidity constraint and Entrepreneurial Financing Theory

As indicated by the Supply-Leading (Finance led development) Hypothesis, the presence of "monetary organizations and the supply of their resources, liabilities and related budgetary administrations ahead of time of interest for them would give proficient assignment of assets from surplus units to shortfall units, along these lines driving the other financial divisions in their development procedure" (Patrick 1966). Two capacities performed by the supply driving theory emerged unmistakably. To begin with, it exchanges assets from customary (non-development) segments to cutting edge segments. Second, it advances and animates an entrepreneurial reaction in the present-day parts and expands the desire of the business visionaries and additionally opens new skylines of conceivable speculation contrasting options to investigate.

Various studies have contended for the finance led growth development approach (King and Levine, 1993a; King and Levine 1993b; Levine, 1997). This appears differently relating to the position held by Robinson (1952) and others, as contained in the interest taking after speculation which keeps up that improvement of money related divisions and foundations essentially take after financial development. That is, the finance follows while the enterprise/entrepreneurial activities lead (Meier, 1984).

It is commendable, of note to bring up that, whether supply-driving or demand following, the mission of business visionaries to have admittance to satisfactory funding to fire up a business wander or back a current one, is not without limitations. Given the pertinence of business enterprise in encouraging monetary development, a considerable measure of examination premium has been excited as of late, to analyze the wellsprings of contact in the budgetary business sector and perhaps endeavor to ease liquidity imperatives in entrepreneurial financing.

A noteworthy determinant in the capacity of crisp business people to raise adequate funding to kick begin their organizations is the profundity of the monetary business sector, measured as the proportion of expansive cash supply (M2) to GDP; or from the viewpoint of the share trading system, the proportion of securities exchange capitalization to GDP. The profundity of the money related business sector or monetary extending measures budgetary business sector improvement in a nation. The more profound the money related business sector, the more it is alive to its obligation of meeting business financing needs of new business visionaries and the other way around.

Resource Base Theory of Entrepreneurial Finance

The theory is developed by Subramanian (2010). Entrepreneurs are hungry for resources, i.e., financial resources to stimulate their growth. Venture Capitalists (VCs) offer a twofold edged sword. From one perspective, the interesting assets gave by VCs amid the start-up generous advantages at a phase when such assets are basic to its development. Then again, the VC's control over such basic assets can empower it to remove considerable rents ex-post. We build up a hypothetical model to demonstrate that the start-up decision of the …financier parities the advantages from consolidating the thought with the …financier's assets against potential seizure by the …financier. To start with, we demonstrate that however a business person needs to surrender more prominent ex-post surplus to a more creative …financier, the advantages from unifying with such an agent rule these expenses. Second, while expanded capacity to imitate the thought adds to the new companies' esteem, it empowers the financier to concentrate more leases, along these lines contracting the business visionaries' value esteem. Third, more prominent complementarity between the lenders assets and the new companies thought improves (wrecks) start-up quality when the thought is generally simple (exceptionally troublesome) to recreate; along these lines more noteworthy complementarity might be an aid or a bane for the start-up.

Keynesian Growth Theory

In relation to the entrepreneurial financing, the Keynesian propositions stressed that demand management policies and strategies can and ought to be utilized to enhance macroeconomic execution and supportability.

That is, macroeconomic approaches ought to include setting financial and monetary variables in every day and age at the qualities which are thought important to accomplish the government's targets (Abata, 2012). In relation to the Keynesian financial development model, financing entrepreneurs ought to be a piece of macroeconomic strategies of government in which both the monetary and fiscal approaches ought to perceive to accomplish the wanted levels of monetary development and improvement of Nigeria. In perspective of this, Zeller and Sharma (1998) contended that microfinance can help in the change or foundation of family endeavour, possibly having the effect between mitigating neediness and financially secure life. Then again, Burger (1989) showed that microfinance has a tendency to settle instead of expansion of salary and tend to save as opposed to making occupations. In any case, Buckley (1997) arrived at the conclusion that there was little proof to propose that any huge and maintained effect of microfinance administrations on customers as far as entrepreneurial advancement, expanded salary streams or level of job. The core ideas are that change to access to microfinance and business sector for the needy individuals was not adequate unless the change or change is joined by changes in innovation as well as procedure. 4. Supply Leading Theory

Supply Leading Theory

This relates to the financial intermediation role of banking institutions. Ubesie (2017) explains that a robust banking system with efficient financial intermediation process promotes economic growth, stressing that this is achieved through channeling savings to the productive sector of the economy, thereby stimulating MSMEs, which eventually lead to employment generation. The advocates of this theory believe that financial services provided by banks act as catalyst for improving the performance of MSMEs in the economy in terms of job creation. This suggests that countries with advanced financial system are likely to do better in this regard. Ubesie(2017) citing Schumpeter notes that one of the significant impacts of supply-leading credit facilities method is that as entrepreneurs access credits, their vision of success widens, thereby making them to aim higher. The supply leading theory assumes a platform that guarantees entrepreneurial development through finance. This study is in line with theIntermediation, Liquidity constraint and entrepreneurial financing theory.

Empirical Review

Oyedokun, (2015) evaluated the interrelationship between Small and Medium Scale Enterprise performance in connection to the miniaturized scale money financing available to them. The emphasis was on small scale account establishment and entrepreneurial firms in south-western Nigeria. An aggregate of 153 enlisted little and medium and scale entrepreneurial firms were utilized for the investigation taking after the information screening and assessment. A purposive arbitrary testing strategy was received for the study. The information gathered was broken down utilizing Pearson's correlation. The discoveries uncovered that a critical and positive relationship exists between advances gotten from smaller scale fund banks (MFBs) and the execution of little and medium scale entrepreneurial firms.

Gulani and Usman (2012) examined the challenges Small and Medium Scale Enterprises (SMEs) face in financing new or existing organizations, the number of inhabitants in the study comprises of all SMEs working in Gombe State. Be that as it may, the study embraced purposive and straightforward arbitrary testing procedures to draw the specimen from the populace. SMEs were then haphazardly drawn from three (3) nearby government territories; using questionnaires and broke down utilizing chi-square strategy. The aftereffect of the examination uncovered that: there exists no critical distinction in the challenges SMEs face when getting to fund from different sources, while a noteworthy contrast in the level of consciousness of MFIs by SMEs.

Friday (2012) evaluated the effect of Microfinance on Small and Medium Enterprises (SMEs) in Nigeria utilizing study plan. The discoveries of the study uncover that huge number of the SMEs profited from the MFIs advances despite the fact that lone few of them were sufficiently proficient to secure the required sum required. Strikingly, dominant part of the SMEs recognizes positive commitments of MFIs advances towards advancing their piece of the overall industry, item development accomplishing market fabulousness and the general monetary organization upper hand.

Akinola (2013) evaluated entrepreneurship in Nigeria-Funding and Financing Strategies, utilizing longitudinal descriptive design data-set, they discovered an optimistic attitude towards funding in Nigeria, their study therefore established appropriate strategies to obtain funds from sources of finance by both small and medium enterprises.

Ovat (2013) investigated the Liquidity Constraints and Entrepreneurial Financing in Nigeria, utilizing a descriptive approach and a sample of undergraduate students who were evaluated via questionnaire sources, the study discovered that costs required are subject to the level of modernity of the undertaking being referred to.

Kounouwewa and Chao (2011) directed a study on financing imperative determinants in 16

African nations including Nigeria. The outcomes showed that the sizes of firm and possession structure are variables in charge of little and medium ventures development. These elements additionally restrict their entrance to capital and thus money related imperatives. They reason that there must be proficient money related establishments to handle issues of financing imperatives in enterprise and MSMEs. Still of financing.

Somoye (2013) investigated the influence of financing on enterprise development in Nigeria utilizing endogenous growth framework. The outcomes demonstrated that the standardized long-run co-coordinating condition upheld by the short-run flow shows that money, loan fee, genuine total national output, unemployment and modern efficiency are critical to business enterprise in Nigeria. The concentrate additionally found that Microfinance banks' financing in the zone of transportation and business, assembling and sustenance preparing and different exercises have essentially affected on monetary development and advancement of Nigeria amid the period.

Methods and Materials

In achieving the objectives of this study, data were sourced from Central Bank of Nigeria Statistical Bulletin covering the period from 1998-2018.This study employed end of year values of the following variables: Gross Domestic Output (GDO), Micro Finance Bank Credit, Deposit Money Bank Loans to the Small and Medium Enterprises, Access to finance Facilities and which were extracted from various issues of Central Bank of Nigeria, Statistical Bulletin and their monthly publication.

In order to analyze empirically the impact of entrepreneurial financing on gross domestic product in Nigeria (1998-2018), Ordinary Least Square (OLS) multiple regression analysis was used. The Ordinary least squares test captures the short-run estimates of the predictive regression equation. Accordingly, the significance of the resultant t-statistic of any explanatory variables is expected to be at least 0.05, for the null hypothesis of no significance to be rejected. This was done employing Statistical Package for the Social Sciences (SPSS) for analysis of the data.

Model Specification

This study, in line with the liquidity constraint and entrepreneurial financing theory above, functionally states its model as follows:

$GDO_t = f(MC_t, DMB_t, ASCF_t)$…………………. (1)
Which were trans-modified into the mathematical form by the introduction of the constant term (β_0), co-efficient of independent variable (β_1) and stochastic error term (μ).
$GDO_t = \beta_0 + \beta_1 MC_t + \beta_2 DMB_t + \beta_3 ASCF_t + \mu$……………….. (2)

Where:

GDO= Gross Domestic Product.
MC= Micro Finance Bank Credit.
DMB= Deposit Money Bank Loans to the Small and Medium Enterprises.

ASCF= Access to finance Facilities.
β_0 = Autonomous value or constant value or vertical sector value i.e. the value of the dependent variable when the values of the independent variable co-efficient are equal to zero.
β_1 = Co-efficient of independent variable: Micro finance bank credit.
β_2 = Co-efficient of independent variable: Deposit Money bank loans to small and medium enterprises.
β_3 = Co-efficient of independent variable: Small and medium enterprise access to finance facilities.

According Regression coefficient, the values of the models are given below as:

GDP = F (MC) + (DMB) + (ASCF)
$GDP = \beta_0 + \beta_1(MC) + \beta_2(DMB) + \beta_3(ASCF) + \varepsilon i$
$GDP = -1967815.788 + 12.876\ (MC) - 6.161\ (DMB) + 2533.856\ (ASCF) + 3628801.899$
Where:
GDP = Gross Domestic Product
MC = Micro finance bank credit to SMEs
DMB = Deposit money bank loan and advances to SMEs
ASCF = Access to credit facilities

Data presentation and Analysis
Table 1: Basic Descriptive Statistics

	Mean	Std. Deviation	N
Gross Domestic Output	489058.2662	2045465.66849	21
Microfinance Bank Credit	65732.3381	72123.58827	21
Deposit Money Bank Loan and Advances	54122.5705	70147.21623	21
Access to Credit Facilities	767.1905	125.91609	21

Source: Researchers' computation using SPSS, 2019

Table 2 Model summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin Watson
1	.514[a]	.264	.135	1902914.55053	2.733

Source: Researchers' computation using SPSS, 2019

a. Predictors: (Constant), Access to Credit Facilities, Microfinance Bank Credit (₦ Million), Deposit Money Bank Loan and Advances (₦ Million)
b. Dependent variable: Gross domestic product (₦ Billion)

For model summary, the 'R' column indicates that there is 0.514 (51.4%) positive relationship between the dependent and independent variable while the adjusted "R-square" column indicates that 0.264 (26.4%) of the independent variables explains better the dependent variable while 73.6% remaining of other independent variables that are not discussed explains the dependent variable.

Table 3 Correlation Coefficient

		Gross Domestic Product (GDP)	Microfinance Bank Credit (MC)	Deposit Money Bank Loan and Advances (DMB)	Access to Credit Facilities (ASCF)
Pearson Correlation	GDP	1.000	.403	-.127	.349
	MC	.403	1.000	.370	.175
	DMB	-.127	.370	1.000	-.537
	ASCF	.349	.175	-.537	1.000
Sig. (1-tailed)	GDP	.	.035	.291	.061
	MC	.035	.	.049	.224
	DMB	.291	.049	.	.006
	ASCF	.061	.224	.006	.
N	GDP	21	21	21	21
	MC	21	21	21	21
	DMB	21	21	21	21
	ASCF	21	21	21	21

Source: Researchers' computation using SPSS, 2019

The Correlation coefficient outcome of the results shows that Entrepreneurial financing (Micro finance bank credit) has a positive significant impact of 0.403 on SMEs contribution to GDP, while Deposit money banks credit and advances to SMEs has a negative impact of (-0.217) on SMEs contribution to GDP. Small and medium enterprises access to credit has a positive impact of (0.349) on SMEs contribution to GDP.

Table 4: Regression Coefficient

Coefficients[a]

Model		Unstandardized Coefficients		Standardized Coefficients	T	Sig.
		B	Std. Error	Beta		
1	(Constant)	-1967815.788	3628801.899		-.542	.595
	Microfinance Bank Credit (₦ Million)	12.876	7.224	.454	1.782	.093
	Deposit Money Bank Loan and Advances (₦ Million)	-6.161	8.669	-.211	-.711	.487
	Access to Credit Facilities (₦ Million)	2533.856	4557.319	.156	.556	.585

Source: Researchers' computation using SPSS, 2019

a. Dependent Variable: Gross Domestic Output (₦ Billion)

The analysis of variation between the dependent and independent variables used in the research work. Gross domestic product (GDP) is identified as the dependent variable while Micro finance bank credit (MC), deposit money bank loans and advances (DMB) and access to credit facilities (ASCF) are identified as the independent variables. Analysis of variance (ANOVA) measures the overall performance of the model provided by the regression analysis. It tests the hypothesis using p-value.

Interpretation of Results:

Hypothesis one: Since p-value which is 0.035 is less than the specified level of significance in management (0.05), the Null hypothesis should be rejected and the alternative hypothesis (Hi) should be accepted.

Hypothesis two: Since p-value which is 0.291 is greater than the specified level of significance in management (0.05), the Null hypothesis (Ho) should be accepted.

Hypothesis three: Since p-value which is 0.061 is greater than the specified level of significance in management (0.05), the Null hypothesis (Ho) should be accepted.

Discussion of Findings

The interpretation of the models above is as follows:

i. The value of the intercept (β_0) which is -1967815.788 shows that Gross Domestic Product (GDP) will experience a 1967815.788 decrease when other variables are held constant.
ii. The estimate coefficient (β_1) which is 12.876 (Micro finance bank credit) shows that a unit changes in Micro finance bank credit will cause an increase of 12.876 in Gross Domestic Products (GDP) within the period of study.
iii. The estimate coefficient (β_2) which is -6.161 (Deposit money bank loans and advances) shows that a unit change in Deposit money bank loan and advances (DMB) will cause a decrease of 6.161 in Gross Domestic Product (GDP) within the period of study.
iv. The estimate coefficient (β_3) which is 2533.856 (Access to credit facilities) shows that a unit change in Small and medium scales enterprise access to credit facilities (ASCF) will cause an increase of 2533.856 in Gross Domestic Product (GDP) within the period of study.
v. 3628801.899 represent chances of error given to other variables that may influence the dependent variable (Gross Domestic Product) but not used in the research work.

Conclusion and Recommendations

The study is centered on entrepreneurial financing and Gross domestic product in Nigeria from 1998 - 2018. Specifically, it set to examine the impact of Micro credit to small and medium contribution to Gross domestic product in Nigeria; to determine the influence of Deposit money bank loans and advances to SMEs and SMEs access to finance facilities contribution to Gross domestic product in Nigeria within the period under study. Entrepreneurial financing involves the medium in which the activities of the small and medium enterprises in the country are been financed. Based on the findings, the study concludes that *Micro finance bank credit has a significant impact on SMEs contribution to Gross domestic product in Nigeria*; Deposit money bank loans and advances to SMEs and SMEs access to finance facilities have no impact on Gross domestic product in Nigeria within the period under study.

The variables under the independent variable considered in this study are Micro finance bank credit, Deposit money bank loans and advances and SMEs access to finance facilities. All these variables considered in the study have positive relationship and significant impact on the economic growth which is represented by gross domestic product with in the period under study. Conclusively, the coefficient of correlation R indicating 0.512 means that there is 51.2% positive relationship existed between the dependent and independent variables used in the study. Also, coefficient of determination R-squared is 0.264 indicating that 26.4% of the total variations in gross domestic product are explained by the independent variables (Micro finance bank credit, Deposit money bank loans and advances and SMEs access to finance facilities) used in the study.

The study therefore recommends that, Government and relevant monetary institutions should foster the activities of the Micro finance banks and enlarge the purse of deposit money banks towards the funding of entrepreneurial activities. Also, Government should make policies towards increasing the funds for financing SMEs, both in the Deposit money banks and Micro finance banks.

Policy makers should recognize the importance of entrepreneurship to economic development. Entrepreneurship deserves equal emphasis as is being placed on science and technology; it is the entrepreneur that translates the innovation in science and technology into wealth, thus sufficient emphasis should be made to enhance entrepreneurship in order to create more enterprises, wealth and employment and thus enhance positive economic development.

In order to encourage the spirit of enterprise amongst young people, universities and other higher learning institution must be advised to become more commercially focused and more entrepreneurial. They should learn to develop good relationship with local businesses and carry-out more business-related activities on campus. This will develop their interest in business, and also the basic knowledge of what to encounter when venturing business. The knowledge acquired will help provide the students with a ready option when they graduate, rather than wasting much time seeking for jobs. This will also help to reduce the number of unemployed youths in the country.

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Appendices

Year	Gross domestic output (GDP)	Micro finance bank credit (MC)	Deposit money bank loans and advances (DMB)	Access to credit facilities (ASCF)
1998	3,989.45	2,526.80	42,260.70	552
1999	4,679.21	2,958.30	46,824.00	550
2000	6,713.57	3,666.60	44,542.30	881
2001	6,895.20	1,314.00	52,428.40	747
2002	7,795.76	4,310.90	82,368.40	769
2003	9,913.52	9,954.80	90,176.50	774
2004	11,411.07	11,353.80	54,981.20	753
2005	14,610.88	28,504.80	50,672.60	757
2006	18,564.59	16,450.20	25,713.70	750
2007	20,657.32	22,850.20	41,100.40	709
2008	24,296.33	42,753.06	13,512.20	733
2009	24,794.24	58,215.66	16,366.49	828
2010	54,612.26	52,867.50	12,550.30	801
2011	62,980.40	50,928.30	15,611.70	821
2012	71,713.94	80,127.86	13,863.46	883
2013	80,092.56	94,055.58	15,353.04	825
2014	89,043.62	112,110.15	16,069.27	891
2015	94,144,96	187,247.34	12,949.48	958
2016	101,489.49	196,194.99	10,747.89	987
2017	113,711.63	194,024.94	316,909.49	613
2018	127,762.55	207,963.32	161,572.46	529

Source: *Central Bank of Nigeria Statistical Bulletin.*