IMPACT OF FINANCIAL LITERACY ON BUSINESS DEVELOPMENT OF WOMEN ENTREPRENEURS IN PAKISTAN

ABSTRACT

The aim of current study was to assess the impact of financial literacy on business development in Pakistan. In this study, financial knowledge, financial management skills, and investment and financing knowledge (representing financial literacy) served as the independent variables. Business development was used as the dependent variable. Women entrepreneurs of SMEs in Pakistan were the study's intended audience for exploring the connections between the aforementioned variables. Quantitative research method was used, as primary data was collected through adopted questionnaire based on 5-Likert scale. The responses were recorded from 150 respondents (women entrepreneurs of SMEs in Pakistan) through convenience sampling technique. Responses recorded were analyzed by using statistical tests (correlation and regression analysis) with the help of SPSS Software. Findings of correlation analysis have proved significant positive relationship between financial knowledge, financial management skills, and investment and financing knowledge (financial literacy) and business development. Results of regression analysis have highlighted that financial knowledge, financial management skills, and investment and financing knowledge (financial literacy) significantly impacts business development of women entrepreneurs of SMEs in Pakistan. Based on the findings of the study, it is proved that increase in financial literacy or any aspect of it (such as financial knowledge, financial management skills, and investment and financing knowledge) brings a definite increase in business development of women entrepreneurs of SMEs in Pakistan.

Key Words: Financial Literacy, Financial Knowledge, Financial Management Skills, Investment and Financing Knowledge, Business Development.

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Chapter 1

INTRODUCTION

A crucial ability that helps people to make wise financial decisions is financial literacy. It includes the capacity to understand financial ideas like planning, saving, investing, and debt management. For entrepreneurs who must properly manage their company's money, financial literacy is extremely crucial (Younas & Rafay, 2021). Entrepreneurs may make poor financial decisions without the necessary financial understanding, which might harm the expansion and viability of their company. Women entrepreneurs in Pakistan encounter several obstacles while trying to get financing and run their companies successfully (Iram et al., 2021). Women entrepreneurs frequently encounter difficulties getting loans from financial institutions owing to a lack of collateral and poor financial literacy, despite the fact that they significantly contribute to the economy. This makes it challenging for them to invest in their companies, grow their operations, and generate employment (Hussain et al., 2019).

Additionally, there are additional societal and cultural hurdles that Pakistani women entrepreneurs must overcome in order to advance financially and professionally (Iram et al., 2021). These obstacles include social norms that prevent women from entering the workforce, gender discrimination, and restricted access to education and training. Therefore, it is essential to look at how financial literacy affects the growth of women entrepreneurs in Pakistan (Bilal et al., 2021). Women entrepreneurs may be better able to make wise financial decisions, obtain financing, and manage their companies as a result of increased financial literacy (Mustafa et al., 2021). This research aims to explore the impact of financial literacy on the business development of women entrepreneurs in Pakistan.

1.1 Background of the Study

The corporate world in Pakistan has enormous potential for wealth and economic progress, but women entrepreneurs' full potential is still mostly unrealized. Despite continuous efforts to advance inclusive entrepreneurship and gender equality, women entrepreneurs still encounter major obstacles in growing their enterprises (Strawser et al., 2021). There is now a gender disparity in business growth with female-owned businesses frequently finding it difficult to advance and prosper at the same rate as their male counterparts. This difference might be due to a number of barriers that prevent the development of businesses, especially those started by women (Singla & Mallik, 2021). First and foremost, a significant barrier for women entrepreneurs continues to be the lack of access to financial resources and funding options (Meyer & Hamilton, 2020). Financial industry's prejudices and discrimination limit access to loans, venture capital, and other types of financing required for business development. This issue is made worse by the lack of financial literacy among women entrepreneurs, who may find it difficult to negotiate the complicated financial landscape and properly convey their financial demands to prospective lenders and investors (Baporikar & Akino, 2020).

Second, social and cultural hurdles prevent women entrepreneurs from accessing networks, mentorship, and other business support services and limit their mobility (Baporikar & Akino, 2020). Women's capacity to fully participate in business activity is frequently limited by the household chores assigned to them by traditional gender roles and cultural expectations (Kappal & Rastogi, 2020). Furthermore, pervasive gender preconceptions and prejudices might damage their credibility and limit their chances for cooperation and partnership. A major barrier to the business growth of women entrepreneurs is their limited access to business training and capacity-building initiatives (Ughetto et al., 2020). Their capacity to create strategic business strategies, recognize market possibilities, and implement innovative methods is constrained by the lack of chances for skill development and knowledge acquisition. Their ability to expand and be successful in a business world that is continually changing is constrained by this knowledge gap (Oggero et al., 2020).

Pakistan, a developing nation, has been struggling to overcome a number of obstacles in its drive for economic expansion and progress (Afshan et al., 2021). Promoting entrepreneurship, and specifically women's entrepreneurship, is one of the various tactics it is using. This strategy acknowledges the great potential that women have to contribute to economic growth if given the right resources and assistance (Khan et al., 2021). Despite government initiatives to encourage women's entrepreneurship, women entrepreneurs continue to encounter a number of obstacles, such as restricted access to financing, a lack of business networks, and insufficient training and support services (Noor & Isa, 2020). Access to financing is one of the biggest issues that women entrepreneurs confront. Due of Pakistan's tendency toward risk-averse financial institutions, women entrepreneurs frequently cannot get the capital they require to launch or grow their firms (Shah et al., 2021).

The absence of business networks is another issue. Business networks may offer beneficial resources, such as collaborations, access to markets, and mentorship, which can be crucial for the success of entrepreneurs (Ali et al., 2019). However, a large number of Pakistani women entrepreneurs do not have access to these networks, which restricts their potential for expansion and advancement. For women entrepreneurs, inadequate assistance and training are also key obstacles (Baig et al., 2021). The majority of women in Pakistan lack the entrepreneurial knowledge and expertise needed to launch and manage a successful business. Additionally, they might not have access to the assistance and training they need to overcome some of the obstacles they encounter (Muhammad et al., 2022).

For entrepreneurs, especially women entrepreneurs, in underdeveloped nations, financial literacy has been highlighted as a critical component to managing their firms successfully. It is a key ability that helps entrepreneurs to efficiently manage cash flow, budget, and interpret financial statements (Yousfani et al., 2019). There is little study on the effects of financial literacy on the growth of women entrepreneurs' businesses in Pakistan. Giving women entrepreneurs in Pakistan financial literacy training is one method to solve the difficulties they confront (Mehta et al., 2022). Understanding financial statements, budgeting, and cash flow management can be aided by this training for women entrepreneurs. They may be better able to manage their finances and make wise investment choices as a result (Yasin et al., 2020).

Financial literacy has several advantages for women entrepreneurs. First of all, it can assist in their ability to obtain finance and raise their likelihood of receiving money from financial organizations (Andriamahery & Qamruzzaman, 2022). Second, it can assist them in managing their companies more successfully, which may result in more profitability and commercial expansion. They may also have a greater grasp of the financial aspects of their company, which will help them make more educated choices (Tara et al., 2020). Numerous programs have been started in Pakistan to encourage financial awareness among women entrepreneurs. For instance, in cooperation with commercial banks and microfinance organizations, the State Bank of Pakistan has started a program to teach women entrepreneurs in financial literacy. The initiative seeks to improve the financial literacy and access to capital of women entrepreneurs (Muhammad et al., 2021).

Women entrepreneurs in Pakistan require additional support services in addition to financial literacy training. Mentorship, company incubator programs, networking events, and market access are a few examples of these services (Noor et al., 2020). Women entrepreneurs can overcome some of their obstacles and increase their chances of success by offering these services. Pakistan acknowledges the great potential of women entrepreneurs in fostering economic development and progress (Bilal et al., 2021). Women entrepreneurs still have to overcome a number of obstacles, such as restricted access to capital, a lack of business networks, and inadequate support and training programs. For entrepreneurs, especially women entrepreneurs, in underdeveloped nations, financial literacy has been highlighted as a critical component to managing their firms successfully (Nasir et al., 2019). Giving women entrepreneurs access to financial literacy training and other support services might help them overcome some of the obstacles they encounter and increase their chances of success (Junoh et al., 2019).

1.2 Research Gap

There is still a sizable research gap in the area of women entrepreneurs in Pakistan, despite the rising understanding of the value of entrepreneurship and financial literacy in fostering economic growth (Younas & Rafay, 2021). Even though Pakistan has identified women entrepreneurs as a promising sector for economic growth, no empirical study has been done to determine how financial literacy affects the growth of these businesses (Iram et al., 2021). Given the significant obstacles that women entrepreneurs experience in Pakistan, such as restricted access to financing, a lack of business networks, and inadequate training and support services, this lack of study is alarming (Mustafa et al., 2021). Social and cultural hurdles, such as gender discrimination, a lack of mobility, and restricted access to educational and employment possibilities, further exacerbate these difficulties (Khan et al., 2021).

Additionally, the majority of the current study on financial literacy and entrepreneurship is concentrated on industrialized nations, with less research being done in emerging nations like Pakistan (Afshan et al., 2021). This is particularly troublesome since developing nations confront significant difficulties that would necessitate specialized approaches to initiatives promoting entrepreneurship and financial literacy (Shah et al., 2021). Therefore, there is a critical need for more study on how financial literacy contributes to the growth of women entrepreneurs in Pakistan. Such research might provide practical tactics for fostering the growth of women entrepreneurs' businesses and offer insightful information about the particular difficulties that they confront in Pakistan (Baig et al., 2021; Ali et al., 2019). The formulation of policies and programs targeted at assisting women entrepreneurs can also be informed by studies on financial literacy in the context of women's entrepreneurship in Pakistan. This might involve creating specialized financial literacy programs that target the particular difficulties faced by Pakistani women entrepreneurs (Muhammad et al., 2022; Noor & Isa, 2020).

1.3 Problem Statement

Despite the increasing recognition of the pivotal role played by women entrepreneurs in driving economic growth and development, there is a persistent gender gap in accessing financial resources and achieving sustainable business development in Pakistan. Financial literacy has emerged as a potential solution to bridge this gap. However, there is a lack of comprehensive research exploring the precise impact of financial literacy on the business development of women entrepreneurs in the Pakistani context. This study aims to address this problem by examining the extent to which financial literacy influences business development of women entrepreneurs in Pakistan.

1.4 Research Questions

Current study aims to answer the following research questions:

1: What is the current level of financial literacy among women entrepreneurs of SMEs in Pakistan?

2: What is the impact of financial literacy on the business development of women entrepreneurs of SMEs in Pakistan?

3: What is the impact of financial knowledge, financial management skills, and investment and financing knowledge on the business development of women entrepreneurs of SMEs in Pakistan?

1.5 Research Objectives

Research objectives of current study are as follows:

- To investigate the current level of financial literacy among women entrepreneurs of SMEs in Pakistan.
- To identify the barriers to financial literacy for women entrepreneurs of SMEs in Pakistan.
- To assess the impact of financial knowledge, financial management skills, and investment and financing knowledge on the business development of women entrepreneurs of SMEs in Pakistan.

1.6 Research Significance

1.6.1 Theoretical Significance

It is impossible to stress the importance of financial literacy for women entrepreneurs in developing nations like Pakistan. There is a large research deficit in the area of women entrepreneurs of SMEs in Pakistan despite the growing emphasis on entrepreneurship and financial literacy. There is little study done in developing nations like Pakistan; the majority of the current research on financial literacy and entrepreneurship concentrates on industrialized nations. By presenting actual data on the influence of financial literacy on the business development of women entrepreneurs of SMEs in Pakistan, this research so significantly adds to the body of knowledge already available on financial literacy and entrepreneurship. The research results can assist practitioners and policymakers in creating and implementing efficient financial literacy programs for Pakistani women entrepreneurs, which can, in turn, assist them in overcoming the difficulties they encounter while beginning and expanding their firms. By closing the financial literacy gap, women entrepreneurs will be better able to manage their finances, including budgeting, financial planning, and investment choices. This will ultimately result in better business performance, higher profits, and national economic growth and development. The significance of financial literacy for Pakistani women entrepreneurs and its potential to spur economic growth and development are thereby highlighted by this research.

1.6.2 Practical Significance

Women entrepreneurs of SMEs in Pakistan may gain from the study's results on the influence of financial literacy on their ability to grow their businesses in a number of ways. First, the study sheds light on how important financial literacy is to women entrepreneurs' success. This information can help Pakistani women entrepreneurs in understanding the value of financial literacy and inspire them to make an investment in developing their financial literacy and abilities. They can accomplish sustainable growth, run their companies successfully, and make wise financial judgments by doing this.

Second, results of the study can help financial institutions create financial services and products that are specifically designed to fulfill the needs of Pakistani women entrepreneurs. The study's findings may be used by financial institutions to provide goods and services that are tailored to the needs of women entrepreneurs. This may be giving low-interest loans, supplying financial education programs, or streamlining the loan application procedure. Financial institutions may assist women entrepreneurs in overcoming the financial obstacles that impede the growth of their businesses by offering specialized financial products and services.

Finally, other players in the entrepreneurial ecosystem, such as legislators, business groups, and development organizations, might benefit from study findings. They may utilize the data to create and put into action financial literacy initiatives that specifically target Pakistani women entrepreneurs. Workshops for training, mentorship and coaching programs, or campaigns for financial education are a few examples of such programs. Stakeholders may support women entrepreneurs by helping them develop their confidence, financial literacy, and success-related skills.

Chapter Summary

This chapter provides an introduction to research topic, background of the study, research gap, problem statement, research questions and objectives, theoretical and practical significance, and research contribution. The next chapter will provide a review of the literature on financial literacy and entrepreneurship, followed by a methodology chapter, data analysis, and findings, and finally, a discussion and conclusion chapter.

Chapter 2

LITERATURE REVIEW

2.1 Definition & Concepts

2.1.1 Financial Literacy

The ability to use various financial tools and concepts to make educated decisions about one's personal and professional assets is referred to as financial literacy. It includes the capacity to oversee personal budgets, recognize the implications of financial actions for long-term financial stability, analyze financial accounts, and assess investment possibilities (Andriamahery & Qamruzzaman, 2022). Financial literacy is essential to the growth of women entrepreneurs of SMEs in Pakistan as well as to their overall economic empowerment (Afshan et al., 2021). Women in Pakistan have historically had a difficult time getting access to jobs and educational opportunities. However, there has been a rising focus on empowering women via entrepreneurship as a result of the attempts to advance gender equality and the growing acknowledgement of women's potential (Younas & Rafay, 2021).

Women entrepreneurs who are financially literate are better able to handle the finances of their companies. They get a better understanding of important financial metrics including cash flow, profitability, and return on investment (Shah et al., 2021). With this information, women may make knowledgeable choices regarding pricing tactics, cost management, and investment possibilities, improving the sustainability and success of their businesses (Tara et al., 2020). Financial literacy also equips women entrepreneurs to negotiate favorable terms with lenders and investors, get finance, and manage the complicated financial landscape. It makes it possible for them to create strong business strategies, effectively identify financial risks, and confidently pitch their projects to potential sponsors. Their prospects of obtaining funding rise as a result, and their credibility and reputation within the business world also grow (Mehta et al., 2022).

Women entrepreneurs who are financially literate tend to feel more independent and self-sufficient. They may take charge of their own money and make wise decisions about saving, investing, and retirement planning by knowing financial principles (Junoh et al., 2019). This independence aids in their overall economic empowerment and enables them to become independent and financially stable (Ali et al., 2019). Furthermore, encouraging entrepreneurship as a viable career option for women in Pakistan depends heavily on financial literacy. It lowers entrance barriers and encourages women to undertake entrepreneurial activities by giving them the required financial knowledge and skills. As more women work in the corporate world, they help the nation's economy thrive, create jobs, and eradicate poverty (Bilal et al., 2021). Conclusively, financial literacy is a crucial component in the growth of Pakistani women entrepreneurs' businesses. It gives them the information and abilities needed to efficiently handle the finances of their businesses, get funding, and come to wise conclusions. Pakistan can unleash the full potential of its women entrepreneurs and achieve inclusive economic growth and sustainable development by educating and empowering women in financial literacy (Noor & Isa, 2020).

2.1.2 Business Development

The goal of business development is to create and foster chances for a company's growth. It is a complex and dynamic process. It entails using a calculated strategy to broaden the organization's influence, attract more clients, and eventually boost sales and profitability (Nasir et al., 2019). The term "business development" refers to a variety of actions taken to improve a company's overall performance and success. Business development primarily comprises finding new markets, clients, and alliances that complement the goals and aspirations of the organization for expansion. This entails performing in-depth market research, examining market trends, and spotting prospective growth prospects (Muhammad et al., 2022). Businesses may strategically position themselves to capitalize on future trends and client requests by analyzing the market landscape (Mustafa et al., 2021).

Once viable prospects have been discovered, business development specialists focus on forming associations and collaborations with important parties. This might entail building joint ventures, joining forces with similar companies, or forging strategic alliances (Hussain et al., 2019). Companies may increase their product or service offerings, reach new markets, and gain a competitive edge by using these alliances. To create leads and turn them into clients, business development also requires aggressively pursuing sales and marketing efforts. This might involve carrying out sales presentations, creating targeted marketing efforts, and negotiating contracts (Baig et al., 2021). Business development specialists help in securing new business prospects and driving revenue growth by persuasively conveying the company’s value offer. Additionally, business development specialists are in charge of fostering and upholding enduring ties with current clients. To do this, one must offer outstanding customer service, anticipate their wants, and look for chances to upsell or cross-sell. Businesses may encourage client loyalty, repeat business, and favorable referrals by cultivating these connections (Muhammad et al., 2021).

Business development includes internal initiatives aimed at enhancing operational effectiveness and efficiency in addition to external actions. This may involve integrating technological solutions, improving corporate processes, or developing personnel abilities through training and development initiatives (Iram et al., 2021). Businesses may streamline their procedures, cut expenses, and increase their overall competitiveness by continually improving internal operations. The purpose of business development goes beyond generating quick cash. It involves developing an in-depth growth plan that is in line with the long-term objectives and vision of the business (Yasin et al., 2020). Business development specialists collaborate closely with top management to study competitive landscapes, identify possible risks, and analyze market trends. They offer strategic suggestions based on this study to direct the company’s growth route (Khan et al., 2021). Business development, which focuses on locating and seizing growth opportunities, is an essential task performed by organizations. It combines customer relationship management, internal process improvements, sales and marketing initiatives, market research, and strategic alliances. Businesses may achieve sustained growth, increase their market presence, and improve their overall competitiveness by implementing business development projects successfully (Noor et al., 2020).

2.1.2.1 Business Expansion:

Business expansion in terms of business development refers to the strategic process of growing and scaling a company to increase its market presence, profitability, and overall impact. It involves expanding the company’s operations, product offerings, or market reach to capture new opportunities and reach a broader customer base (Mustafa et al., 2021). Business expansion can take various forms, including geographic expansion, product/service line extension, mergers and acquisitions, entering new markets, and diversifying revenue streams. One common approach to business expansion is geographic expansion, where a company enters new geographical markets to tap into different customer segments and capitalize on emerging opportunities. This may involve opening new branches, stores, or offices in different cities or countries (Baig et al., 2021). Geographic expansion enables businesses to reach untapped markets, gain a competitive advantage, and diversify risks by reducing dependency on a single market. Another aspect of business expansion is product or service line extension. This involves introducing new products or services that complement the existing offerings or cater to different customer needs. By expanding their product range, companies can leverage their existing customer base and brand recognition to drive sales and increase customer loyalty. This strategy also allows businesses to adapt to changing market demands and stay ahead of competitors (Yasin et al., 2020).

2.1.2.2 Revenue Growth:

Revenue growth, in terms of business development, refers to the increase in a company's total revenue over a specific period. It is a critical metric that reflects the success and financial health of a business. Revenue growth can be achieved through various strategic initiatives that focus on increasing sales, expanding customer base, and enhancing product or service offerings (Nasir et al., 2019). One way to drive revenue growth is by implementing effective sales and marketing strategies. This involves identifying target markets, understanding customer needs, and developing compelling value propositions. By reaching out to new customers and persuading them to choose their products or services, businesses can increase their sales and generate more revenue (Muhammad et al., 2021). Additionally, businesses can focus on upselling and cross-selling to existing customers, encouraging them to purchase higher-value products or complementary services, thereby boosting revenue from their existing customer base. Furthermore, revenue growth can be achieved through product or service innovation. By continuously improving and introducing new products or services that meet customer demands, businesses can attract new customers and retain existing ones. Investing in research and development to create cutting-edge solutions can set a company apart from competitors and enable them to charge premium prices, leading to increased revenue (Iram et al., 2021).

2.1.3 Women Entrepreneurs

Women who identify, start, and manage their own enterprises or activities are said to be entrepreneurs. It involves women accepting the entrepreneurial role and the responsibilities and risks involved in starting and operating a business (Yousfani et al., 2019). Women entrepreneurs are essential for supporting social advancement, gender equality, and economic progress.

Starting tiny firms and growing existing ones are both included in the broad category of women's entrepreneurship. It involves women taking charge of their financial futures, utilizing their abilities, expertise, and assets to develop cutting-edge goods and services, and contributing to the wider business ecosystem (Andriamahery & Qamruzzaman, 2022). The desire for economic empowerment is one of the main forces that propel women into business. Women may get past customary obstacles and become financially independent by starting their own businesses. Women may earn money, accumulate wealth, and open up chances for themselves and their family by starting their own enterprises. Their quality of life is enhanced by this economic empowerment, which also raises their social standing and autonomy (Iram et al., 2021).

The promotion of gender equality also benefits greatly from the efforts of women entrepreneurs. Women have historically encountered a variety of obstacles and problems while trying to attain jobs, promotions, and leadership positions (Noor & Isa, 2020). However, by becoming entrepreneurs, women may defy gender stereotypes, shatter barriers, and become powerful business owners and leaders. Women entrepreneurs contribute to a more inclusive society by serving as role models and motivating other women. Additionally, expansion of the economy and the creation of jobs are positively impacted by women entrepreneurs. In addition to offering job opportunities for women, women-owned enterprises also benefit the wider community. As women entrepreneurs expand their operations, they support economic growth, provide tax money, and boost local economies. In addition to fostering creativity and diversity within the corporate environment, the presence of women entrepreneurs also boosts economic resilience and competitiveness (Ali et al., 2019). Women entrepreneurs face a number of difficulties. Women entrepreneurs frequently encounter gender-specific challenges such restricted access to financing, a lack of networks and mentorship opportunities, cultural prejudices and preconceptions, and problems juggling work and family obligations. However, a number of measures and programs have been put in place to address these issues, including policy reforms, mentorship programs, and targeted financing schemes (Afshan et al., 2021).

2.2 Current Level of Financial Literacy among Women Entrepreneurs

The information and abilities needed to make wise financial decisions are referred to as financial literacy. It is a crucial component of both personal and corporate finances, and it is especially crucial for women entrepreneurs who confront different financial difficulties than their male counterparts (Oggero et al., 2020). Research studies indicate that women tend to have lower levels of financial literacy, which can have substantial detrimental effects on the profitability of their enterprises, despite the fact that there are an increasing number of women entrepreneurs internationally. By identifying the variables that contribute to the gender gap in financial literacy and considering potential solutions to this problem, this study seeks to provide a thorough literature analysis on the present level of financial literacy among women entrepreneurs (Ughetto et al., 2020). Global studies show that women entrepreneurs typically have lower levels of financial literacy than males. For instance, women entrepreneurs in the European Union had lower levels of financial literacy than men, with only 43% of women entrepreneurs demonstrating basic financial literacy as compared to 63% of men (Fauzi et al., 2020).

In a similar vein, a poll by the National Association of Women Business Owners (NAWBO) in the US revealed that just 38% of women entrepreneurs felt extremely competent in handling their companies' finances, as opposed to 55% of male entrepreneurs (Baporikar & Akino, 2020). The gender gap in financial knowledge among women entrepreneurs is caused by a number of variables, due to their frequent lack of access to financial education and training; women entrepreneurs may find it difficult to acquire financial literacy skills. This is especially true in poorer nations where there are few programs offering financial education and women may encounter social and cultural hurdles that prohibit them from accessing such programs (Strawser et al., 2021). Gender stereotypes that perceive women entrepreneurs as less financially astute than men may affect their confidence in handling money-related issues. Women may be less exposed to financial decision-making than males since, according to studies; they are more likely to be given low-risk investments (Kappal & Rastogi, 2020).

By limiting their access to financial resources, the gender salary gap may have an adverse effect on the financial literacy of women entrepreneurs. Women entrepreneurs may have less money to invest in their companies, which might make it more difficult for them to become financially literate. Lack of women role models in the financial sector may hinder women entrepreneurs' capacity to acquire financial literacy skills (Kamberidou, 2020). According to Mahrous (2019), women's financial decision-making and confidence in handling their finances may be favorably influenced by women role models. For women entrepreneurs to have more access to financial education, governments, non-governmental organizations, and financial institutions can collaborate. This may entail creating financial education programs that are customized to the requirements of women entrepreneurs and offering them tools and training to assist them enhance their financial literacy (Mahrous, 2019).

Gender stereotypes that portray women as less financially competent than males may be addressed by governments, non-governmental organizations, and financial institutions working together. This might involve highlighting women role models in the financial sector and offering training and tools to empower women entrepreneurs to manage their finances (Strawser et al., 2021). To address the gender salary gap, which can affect the financial literacy of women entrepreneurs, governments, non-governmental organizations, and financial institutions should collaborate. This might involve creating laws that support equal pay for equal labor and giving money to women entrepreneurs so they can invest in their ventures (Fauzi et al., 2020). Governments, non-governmental organizations, and financial institutions can support coaching and mentoring initiatives that pair women entrepreneurs with seasoned financial experts. These programs can provide women entrepreneurs the chance to get knowledge from experts in their field and improve their financial literacy (Kappal & Rastogi, 2020).

Financial knowledge is crucial for women entrepreneurs to be successful. Women tend to have lower levels of financial literacy than males, according to study, despite the fact that there are an increasing number of women entrepreneurs in the world. Lack of access to financial education, gender stereotypes, the gender pay gap, and a lack of role models are some of the factors causing the gender gap in financial literacy (Ughetto et al., 2020). Governments, non-governmental organizations, and financial institutions may collaborate to address this problem by promoting mentorship and coaching programs, expanding access to financial education, and addressing gender stereotypes and the gender pay gap. We can assist women entrepreneurs in acquiring the financial literacy abilities necessary for professional success by addressing these concerns (Oggero et al., 2020).

2.3 Relationship between Financial Literacy and Business Development

The ability to make wise financial decisions requires having the necessary information and abilities. It is an important component of both personal and commercial finances and is critical to the growth of small enterprises (Mustafa et al., 2021). Entrepreneurs that are financially educated are better able to handle the finances of their companies and make decisions that can promote expansion and success. Previous research studies seeks to give a thorough assessment of the literature on the connection between financial literacy and company development, emphasizing on the ways in which financial literacy affects the growth of small businesses (Khan et al., 2021). Financial literacy is a key component of small businesses' success and expansion, according to studies. Entrepreneurs who are financially educated are better able to manage their companies' money, make wise decisions, and get the capital they need to expand. Contrarily, entrepreneurs who lack financial literacy abilities could find it difficult to manage their funds, make bad choices, and eventually fall short of their objectives (Baig et al., 2021; Younas & Rafay, 2021).

The Organization for Economic Co-operation and Development (OECD) found in one research that entrepreneurs with greater financial literacy skills were more likely to have profitable enterprises. According to a research that polled entrepreneurs in numerous nations, those who were more financially literate were more likely to generate more revenue and profits, have access to outside finance, and create more jobs (Tara et al., 2020). The National Bureau of Economic Research showed in another study that entrepreneurs had a greater chance of long-term success if they had a higher degree of financial literacy. According to a five-year research that tracked entrepreneurs, individuals who had better financial literacy had a higher chance of surviving and expanding their companies (Muhammad et al., 2022). A Small Company Administration (SBA) research also shown that small entrepreneurs who obtained financial education were more inclined to look for funding and were more effective in securing loans. The survey also revealed that entrepreneurs that were financially literate were more likely to have better sales and profits (Baporikar & Akino, 2020).

The ability of entrepreneurs to acquire their financial literacy abilities depends on their access to financial education. Entrepreneurs are more likely to have the information and abilities required to efficiently manage the finances of their firms when they have access to comprehensive and relevant financial education programs. These courses can offer instruction in a variety of topics, including budgeting, financial statement analysis, risk management, investment techniques, and financial planning (Shah et al., 2021). Entrepreneurs who take part in these programs have a strong foundation in financial literacy, empowering them to make decisions that have an influence on the financial health of their companies. The capacity of an entrepreneur to participate in financial education programs and improve their financial literacy, however, can be impacted by the availability of financial resources (Junoh et al., 2019). Financial limitations may prevent some entrepreneurs from making investments in educational opportunities. For entrepreneurs with tight budgets, attending workshops, courses, or seminars may be unaffordable due to the related fees. In these situations, entrepreneurs could rely on self-study materials or look for free or inexpensive choices for financial education. For all entrepreneurs to have an equal chance to advance their financial literacy abilities there must be programs for financial education that are accessible and inexpensive (Fauzi et al., 2020).

The development of an entrepreneur's financial literacy abilities also depends on their prior entrepreneurial experience. Entrepreneurs with business experience frequently gain financial literacy abilities via trial and error while taking lessons from their prior triumphs and mistakes. They learn about efficient financial management practices and methods via first-hand experiences (Oggero et al., 2020). On the other side, inexperienced entrepreneurs might not have the real-world information and abilities needed to make wise financial decisions. They could gain from the mentoring or advice of seasoned businesspeople, or they might look for instructional materials that are especially suited to their need (Muhammad et al., 2021). Additionally, an entrepreneur's financial literacy abilities can be considerably impacted by their sector understanding. Entrepreneurs are better able to make wise financial judgments when they have an in-depth understanding of their industry's financial dynamics. They are able to evaluate market risks, analyze market trends, and create financial plans that satisfy the demands of their sector (Noor et al., 2020). An entrepreneur's ability to negotiate industry-specific financial difficulties, such as managing inventory, optimizing pricing strategies, or understanding the impact of regulatory changes on their firm finances, may be improved with the help of industry-specific financial literacy training (Mehta et al., 2022).

To improve access to financial education for entrepreneurs, governments, non-governmental organizations, and financial institutions can collaborate. This might involve creating financial education programs that are specifically designed to meet the requirements of entrepreneurs and offering tools and training to assist them in becoming financially literate (Nasir et al., 2019). Mentoring programs that pair entrepreneurs with seasoned financial experts can be promoted by governments, non-governmental organizations, and financial institutions. These programs can provide entrepreneurs the chance to gain knowledge from seasoned experts and improve their financial literacy (Yousfani et al., 2019). To assist entrepreneurs in putting the financial strategies they learn through financial education programs and mentorship programs into practice, governments and financial institutions can give them access to financial resources like loans and grants (Baporikar & Akino, 2020). To meet the requirements of entrepreneurs in diverse industries, governments, non-governmental organizations, and financial institutions can provide financial education programs that are industry-specific (Ughetto et al., 2020).

The development and success of small enterprises are greatly influenced by financial literacy. Entrepreneurs with strong financial literacy skills are better able to manage their companies' money, make wise decisions, and get the capital they need to expand (Hussain et al., 2019). Access to financial education, financial resources, entrepreneurial experience, and industry expertise are some of the variables that affect the link between financial literacy and company development (Iram et al., 2021). However, we can assist entrepreneurs in acquiring the financial literacy skills they need to thrive in company by expanding access to financial education, creating financial mentorship programs, facilitating access to financial resources, and creating financial education programs that are industry-specific (Yasin et al., 2020).

2.4 Impact of Financial Literacy on the Business Development of Women Entrepreneurs

When it comes to the development and profitability of enterprises, financial literacy is especially important for women entrepreneurs. It is crucial to investigate how financial literacy affects the growth of women's businesses as they continue to tear down barriers and seek entrepreneurship (Baporikar & Akino, 2020). Numerous studies have been conducted, and the results consistently show a high positive association between financial literacy and women entrepreneurs' company performance. Women entrepreneurs who are financially literate have the information and skills needed to make wise financial decisions that have a big influence on their companies (Singla & Mallik, 2021). Making educated financial decisions is one of the main benefits of financial literacy for women entrepreneurs. They can evaluate the financial ramifications of numerous alternatives and select the best course of action if they have a firm grasp of financial principles. They are able to assess the financial health of their companies by analyzing financial statements, interpreting financial ratios, and doing so. This gives them the ability to pinpoint their strong and weak points, make required corrections, and put plans in place to improve overall performance (Oggero et al., 2020).

Additionally, financial literacy equips women entrepreneurs to efficiently handle cash flow. They gain knowledge of forecasting, cash flow management, and budgeting, which enables them to keep a healthy balance between income and spending. They may foresee times of low cash flow, prepare for emergencies, and make well-informed decisions about spending and investing by being aware of their financial inflows and outflows (Andarsari & Ningtyas, 2019). The financial stability and viability of their enterprises are guaranteed by this proactive approach to cash flow management. Furthermore, having financial literacy gives women entrepreneurs the capacity to allocate resources effectively. They can assess investment possibilities by comparing the possible rewards and dangers of various choices. They can uncover promising investment opportunities and make wise investment selections that support their corporate objectives by performing detailed financial assessments (Abad-Segura & González-Zamar, 2019). Optimizing resource utilization and maximizing returns on investment through strategic resource allocation boosts profitability and enhances overall business performance (Goel & Madan, 2019).

When it comes to obtaining money and resources, women entrepreneurs must be financially literate. Women who are more financially literate are more likely to be successful in securing loans, venture capital, and other crucial financial resources for their enterprises, according to studies that have been conducted on the subject. The ability to create thorough business plans that demonstrate the financial soundness and prospective profitability of their companies is a skill that empowers women entrepreneurs (Purnomo, 2019). Financially educated women are better able to evaluate the viability of their company ideas and make informed decisions on resource allocation and investment strategies because they have a thorough awareness of financial risks and rewards (Meyer & Hamilton, 2020). In addition, they are better able to articulate their financial requirements and development possibilities to prospective lenders and investors, which raise their legitimacy and appeal as investment options. Therefore, financially literate women entrepreneurs are better equipped to confidently negotiate the complicated finance market, opening up more doors for company development and expansion. In the end, society can promote gender equality and cultivate an atmosphere where women-led firms thrive, contributing to overall economic development and empowerment, by providing women entrepreneurs with the required financial knowledge and skills (Andarsari & Ningtyas, 2019).

Women entrepreneurs who are financially literate are better able to identify and control their financial risks, which improves the sustainability and performance of their companies. Women entrepreneurs who have a firm grasp of financial principles are better able to recognize possible dangers that might have an effect on their enterprises. They are able to appraise market circumstances, gauge business trends, and weigh the financial effects of alternative options (Singla & Mallik, 2021). With this information, financially knowledgeable women may create effective risk mitigation plans and put them into practice, reducing the negative effects of prospective hazards. They are able to make well-informed judgments by using a proactive strategy that balances prospective rewards with related dangers (Strawser et al., 2021). Additionally, financial knowledge empowers women entrepreneurs to confidently assess investment prospects. They can do detailed due diligence and financial analyses to determine the financial viability and profitability of new initiatives. They may then direct their resources toward projects that have the best chance of success and make educated investment decisions (Ughetto et al., 2020). Financially literate women entrepreneurs are also skilled at negotiating market changes and economic risks. They may keep an eye on market trends, spot patterns, and alter their company plans as needed. Their capacity for quick reactions and quick adjustments to shifting market conditions supports the robustness and long-term viability of their endeavors (Singla & Mallik, 2021).

Women entrepreneurs who are financially literate are better able to manage resources wisely and make realistic financial strategies, maximizing the potential of their companies. Women entrepreneurs who have a strong foundation in financial management may create detailed budgets that complement their company’s goals and plans. To track their progress and make wise decisions, they might define key performance indicators and set attainable financial targets (Oggero et al., 2020). Additionally, financially knowledgeable women entrepreneurs may deliberately choose price plans that complement the characteristics of the market and their corporate goals. To determine the best rates that guarantee profitability and client happiness, they might evaluate their cost structures, competitive pricing, and consumer demand. They may strike a balance between luring clients and making stable earnings by utilizing efficient pricing tactics

(Goel & Madan, 2019). Additionally, financial literacy allows women entrepreneurs to choose wisely how to reinvest their revenues. They can evaluate the financial health of their companies and see chances for expansion and innovation if they have a solid grasp of financial principles and performance measures (Meyer & Hamilton, 2020). Women who are financially knowledgeable are more inclined to reinvest their earnings back into their companies, putting money toward things like R&D, marketing and advertising, hiring new employees, and infrastructure development. This reinvestment boosts market competitiveness, encourages innovation, and propels corporate growth (Fauzi et al., 2020).

The confidence of women entrepreneurs is greatly increased by financial literacy, especially during financial discussions and commercial transactions. Women entrepreneurs may develop the knowledge and abilities necessary to confidently and assertively traverse complicated financial landscapes by developing a solid understanding of financial concepts and practices (Hussain et al., 2019). Women entrepreneurs can approach negotiations and commercial transactions with a greater grasp of their financial consequences and potential results if they have improved financial literacy. They are competent at analyzing various contract clauses, determining the costs and advantages of various agreements, and negotiating beneficial terms that support their corporate goals (Andriamahery & Qamruzzaman, 2022). Financially knowledgeable women are better able to safeguard their company interests, negotiate more favorable contracts, and form cooperative relationships since they are armed with this information (Afshan et al., 2021).

Financial literacy also equips women entrepreneurs to speak up more confidently and intelligently for the financial interests of their companies. They can effectively communicate the value proposition of their goods or services, establish their financial legitimacy, and offer compelling business cases to potential investors, lenders, or partners thanks to their mastery of financial principles (Noor et al., 2020). Their reputation is strengthened as a result of their increased confidence and capacity to communicate financial data, which also improves their prospects of landing lucrative funding or investment possibilities (Shah et al., 2021). Financial literacy also gives women entrepreneurs the ability to understand market trends, spot new possibilities, and make decisions that will advance their companies. They may spot possible growth or diversification possibilities, enter new markets, and use financial resources to take advantage of developing trends by remaining knowledgeable about market dynamics and financial indicators. This pro-active method of decision-making and business development results from the self-assurance attained via financial literacy (Baig et al., 2021).

2.5 Barriers to Financial Literacy for Women Entrepreneurs

2.5.1 Gender Stereotypes and Social Norms

Women’s access to financial education and opportunity is significantly hampered by gender stereotypes and cultural expectations. Cultural conventions frequently restrict women from taking on financial obligations or actively engaging in financial talks, which results in a lack of exposure to crucial financial concepts and practices. As a result, these prejudices influence how confident women entrepreneurs are in their ability to make sound financial decisions (Baporikar & Akino, 2020). Women could absorb the notion that financial decisions should be left to males, which feeds the cycle of poor financial literacy growth (Kamberidou, 2020). Women entrepreneurs are unable to completely realize their financial potential and manage their companies efficiently because of a lack of confidence and insufficient access to financial education. Defeating these gender norms and fostering an inclusive atmosphere that promotes women’s active involvement in financial education and decision-making are both vital (Singla & Mallik, 2021).

2.5.2 Limited Access to Financial Education

Accessing formal financial education programs, training seminars and tools that are tailored to address the requirements of women entrepreneurs is sometimes difficult. The majority of current financial literacy programs are geared toward men, which makes it challenging for women to engage with the material and relate to the examples and case studies given. The gender gap in financial literacy is widened by the gender bias in program design that isolates women entrepreneurs from the financial information being shared (Andarsari & Ningtyas, 2019). Furthermore, these programs typically ignore the particular requirements and difficulties experienced by women entrepreneurs, neglecting to take into account the special circumstances they face in their entrepreneurial endeavors (Goel & Madan, 2019). The capacity of women entrepreneurs to acquire the skills and information essential for efficient financial management is further hampered by the absence of specialized financial education. To close this gap, it is crucial to create and put into practice financial education programs that take into account the experiences, difficulties, and goals of women entrepreneurs, giving them access to pertinent and relatable information that strengthens their capacity for financial decision-making (Kappal & Rastogi, 2020).

2.5.3 Unequal Access to Financial Resources

Women entrepreneurs frequently experience considerable barriers when trying to get access to crucial financial resources including loans, venture capital, and investment possibilities. Women entrepreneurs are treated unfairly and discriminatorily as a result of gender prejudice in the financial sector, which makes it harder for them to raise money for their companies (Hussain et al., 2019). A lack of confidence and credibility in the evaluation of women's entrepreneurial potential and financial viability is a result of the gender biases and discrepancies that exist within financial institutions. As a result, compared to their male colleagues, women entrepreneurs may be subject to stricter standards, higher interest rates, or even outright rejection of financial backing (Baig et al., 2021). Women entrepreneurs' capacity to acquire practical financial knowledge, put in place effective financial management practices, and invest in the expansion of their businesses is significantly hampered by their restricted access to financial resources. It is critical to address gender prejudice in the financial sector, advance gender-responsive lending standards, and offer equitable access points for women entrepreneurs to obtain the funding and assistance they need for their business ventures in order to remove these obstacles (Ughetto et al., 2020).

2.5.4 Work-Family Conflict

Women entrepreneurs face a huge problem in juggling job and family obligations, which has an impact on their participation in financial literacy initiatives and self-study activities. Women entrepreneurs have time and energy restrictions due to the demanding nature of managing both personal and professional duties, which limits their capacity to fully participate in activities aimed at obtaining financial knowledge and skills (Baporikar & Akino, 2020). There is frequently limited time available for concentrated study and improvement in financial literacy due to the continual juggling of job and family obligations. This may leave them with gaps in their comprehension of important financial ideas and procedures. Their motivation and focus may also be affected by the strain and demands of work-family conflicts, which makes it much harder for them to devote time and mental energy to financial education (Purnomo, 2019). The establishment of supportive settings that enable women entrepreneurs to successfully manage their numerous obligations while still prioritizing their financial literacy growth depends on recognizing and resolving these time and energy restrictions (Strawser et al., 2021).

2.5.5 Lack of Women Role Models

Women entrepreneurs' desire and confidence to pursue financial literacy can be greatly impacted by the lack of prominent women role models in the financial and entrepreneurial sectors. Women entrepreneurs could feel underrepresented and disconnected in the absence of comparable role models who have mastered the financial environment, which would undermine their confidence in their own capacity to succeed financially (Junoh et al., 2019). Role models are essential for motivating and inspiring people to advance their financial literacy and competence. Women entrepreneurs might see themselves achieving comparable levels of financial literacy and success by looking at the accomplishments of other women who have effectively handled their finances and developed profitable businesses (Oggero et al., 2020). Visible women role models offer concrete proof that women can succeed in entrepreneurship and financial literacy. The financial and entrepreneurial sectors can create a supportive and encouraging atmosphere that encourages women entrepreneurs to engage in their financial education and go over any obstacles they may encounter by exhibiting the successes of these role models (Meyer & Hamilton, 2020).

2.6 Importance of Addressing Barriers to Financial Literacy for Women Entrepreneurs and Proposed Recommendations

2.6.1 Importance of Addressing Barriers to Financial Literacy for Women Entrepreneurs

For a number of reasons, removing the obstacles to financial literacy for women entrepreneurs is crucial. First off, increasing financial literacy equips women entrepreneurs with the knowledge and skills necessary to handle risks wisely and seize company expansion possibilities. They can negotiate the difficulties of financial management, such as budgeting, cash flow management, and investment strategies, since they have a strong foundation in financial knowledge and abilities. Their entire company performance and economic empowerment are consequently impacted by this (Oggero et al., 2020). Furthermore, financial literacy gives women entrepreneurs the skills and self-assurance they need to bargain for better financing terms, obtain loans, and draw in investment money. It offers access to financial resources, which are essential for the development and growth of businesses. Societies may advance gender equality, boost economic growth, and unleash the full potential of women's entrepreneurship by tackling the obstacles to financial literacy and providing the essential assistance and resources (Fauzi et al., 2020). In the end, equipping women entrepreneurs with financial literacy skills is advantageous for all enterprises, the larger economy, and society at large. Furthermore, encouraging financial literacy among women entrepreneurs might aid in closing the gender gap in entrepreneurship. Women may overcome institutional prejudices and hurdles by arming themselves with financial knowledge and skills, which will support gender equality in the entrepreneurial environment (Mahrous, 2019).

2.6.2 Proposed Recommendations for Addressing Barriers to Financial Literacy for Women Entrepreneurs

To overcome the barriers to financial literacy for women entrepreneurs, several recommendations can be considered:

Developing Gender-Inclusive Financial Education Programs:

Programs for financial literacy should be particularly designed to suit the special requirements and difficulties experienced by women entrepreneurs. These programs have to include gender-inclusive material and methodologies given that women entrepreneurs could experience unique financial difficulties (Muhammad et al., 2022). Financial literacy programs may enable women entrepreneurs to comfortably navigate the financial landscape by offering specific knowledge and tools. Women entrepreneurs may acquire the abilities and information required to make wise financial decisions that support their company objectives by encouraging a sense of empowerment (Abad-Segura & González-Zamar, 2019).

Enhancing Access to Financial Resources:

Consolidated efforts should be made to support equitable access for women entrepreneurs in order to successfully eliminate the gender gap in financial resources. Initiatives may include the development of specialized financing programs created especially to help women-led businesses.

These programs can offer funding, mentoring, and advice catered to the particular requirements and difficulties experienced by women entrepreneurs (Tara et al., 2020). Additionally, initiatives should emphasize on the creation of gender-diverse investment networks that promote equitable access to financing for women entrepreneurs. In order to ensure fair treatment and equitable access to financial resources, it is also essential to put regulations into place that reduce gender bias in loan approval procedures. Society may enable women entrepreneurs to improve their financial literacy and realize their entrepreneurial goals by actively striving to remove obstacles and promote equitable access (Mehta et al., 2022).

Fostering Mentorship and Role Models:

Creating networks and mentorship programs that pair women entrepreneurs with seasoned mentors and role models can be crucial to improving their financial literacy. Women entrepreneurs may benefit greatly from the advice, encouragement, and inspiration provided by these mentoring programs. Mentorship programs provide a forum for information sharing, networking, and the exchange of useful ideas by linking prospective entrepreneurs with established women entrepreneurs and financial professionals (Muhammad et al., 2021). Women entrepreneurs can acquire a feeling of self-efficacy by being exposed to role models who have overcome comparable financial obstacles, which motivates them to improve their financial literacy and take control of their financial decisions. Mentorship programs also provide a network of solidarity where women entrepreneurs may receive support, direction, and the tools they need to advance their financial literacy (Noor & Isa, 2020).

Raising Awareness and Advocacy:

Public awareness initiatives, conferences, and seminars can help raise awareness of the significance of financial literacy for women entrepreneurs. These programs aim to dispel negative misconceptions about women's financial competence and gender roles that could limit women's participation in financial decision-making (Yasin et al., 2020). Public campaigns may create a welcoming climate that motivates women entrepreneurs to participate in their financial literacy development by emphasizing the economic benefits of empowering women with financial literacy (Bilal et al., 2021). Additionally, advocacy campaigns should support gender-responsive laws and programs that acknowledge and solve the unique challenges encountered by women entrepreneurs. Society may foster an inclusive atmosphere that supports women entrepreneurs in their quest for financial success and overall economic empowerment by promoting gender equality in financial literacy (Shah et al., 2021).

2.7 Theoretical Background

2.7.1 Human Capital Theory

According to the human capital theory, improvements in human capital, such those made in education and skill-building, have a favorable effect on people's productivity and economic consequences (Marginson, 2019). Financial literacy may be seen as a type of human capital that improves the knowledge and abilities of women entrepreneurs in the context of your study topic. Women entrepreneurs can make wise financial decisions, efficiently manage resources, and strategically allocate cash to support business growth by developing their financial literacy (Galiakberova, 2019). The relevance of financial literacy as a key element of human capital that promotes the business development of women entrepreneurs of SMEs in Pakistan is highlighted in this theory, which supports your study subject.

2.8 Research Framework

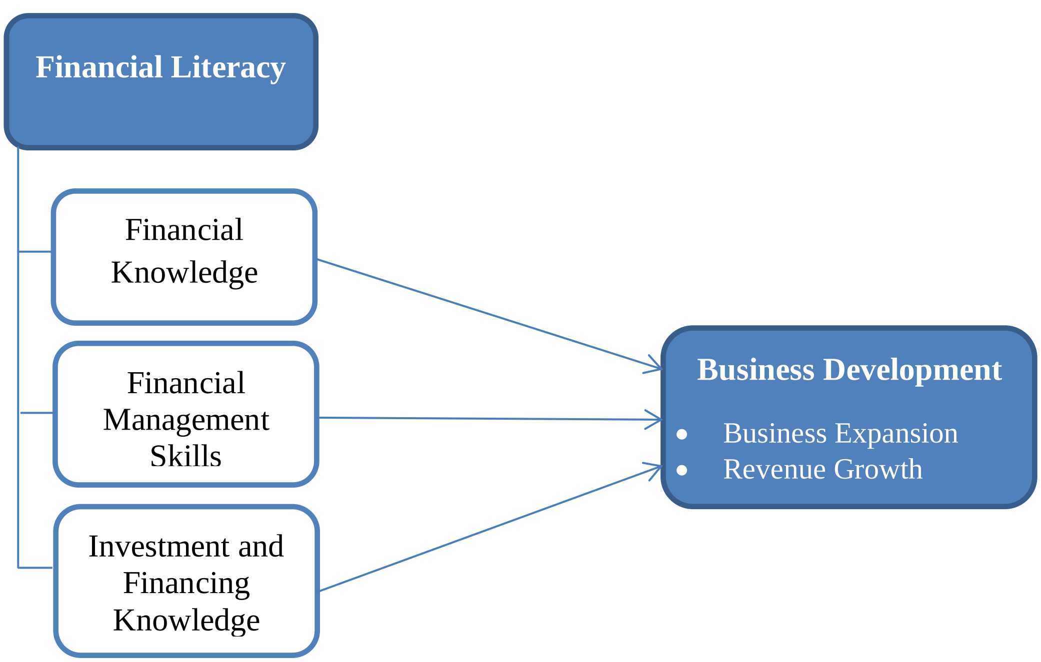

Figure 1: Research Framework

2.9 Research Hypotheses

Following are research hypotheses of current study:

H1: Financial knowledge has positive impact on business development of women entrepreneurs of SMEs in Pakistan.

H2: Financial management skills have positive impact on business development of women entrepreneurs of SMEs in Pakistan.

H3: Investment and financing knowledge has positive impact on business development of women entrepreneurs of SMEs in Pakistan.

Chapter 3

RESEARCH METHODOLOGY

Introduction

A research study uses scientific methods to investigate a certain topic. To exercise control over observable occurrences, it is a methodical inquiry that seeks to characterize, explain, and forecast them. According to Newman & Gough (2020), research methodology describes the procedures and methods used to collect, choose, analyze, and evaluate data on a given subject. Within a research study, validity and reliability of the complete research study are evaluated. The research onion idea was established to guarantee that all phases of research design, strategy, data collecting, sampling, and analysis are followed appropriately. The methodology and frame of mind used in the study, as well as the selection of certain approaches, will be covered in detail in this chapter.

3.1 Research Design

The research onion offers a number of strategies that may be used in the investigation. It suggests techniques including surveys, interviews, and research action, coupled with a strategy for follow-up activities depending on the data gathered and the research objectives (Snyder, 2019). To make sure that researchers go through all stages of the technique development process, Saunders et al. (2007) created the research onion. It might be viewed as a branch on the research methodology tree. By concentrating on the research design and methodology used, a researcher can methodically finish the study by following a plan of action known as a "research strategy". Qualitative and quantitative research designs are the two basic categories. A quantitative approach was used in this study. Closed-ended communication was used to gather data for quantitative research. Comparatively, qualitative research enables in-depth investigation based on respondents' replies, as well as the researcher's hunt for statistical outliers. It helps the researcher to make judgments based on the opinions of the audience (Al-Ababneh, 2020). To investigate the impact of financial literacy on business development of women entrepreneurs, the current study has adopted a quantitative research design.

3.2 Research Philosophy

In terms of assumptions, knowledge, and the nature of study, research philosophy relates. It includes the procedure a researcher uses to convert concepts into knowledge when conducting a study (Patel & Patel, 2019). Research methodology must take research philosophy into account since it affects the selection of research objectives, design, and procedures for analyzing and interpreting data. According to Babii (2020), there are four basic subcategories of research philosophy: pragmatism, realism, positivism, and interpretivism. The positivist school of thought (positivism) was chosen as the foundation for current study. The impression of veracity connected to “factual” information acquired from observations is highlighted by positivism.

3.3 Research Approach

The research approach describes how to compile, examine, and evaluate data in light of underlying presumptions. It is influenced by the type of research question being addressed and shapes the strategy for data analysis used (Mukherjee, 2019). Inductive and deductive research approaches are the two primary types. The deductive research approach was used in this research study. The deductive approach, also known as the top-down approach, involves formulating hypotheses before collecting data.

3.4 Research Strategy

As this study was based on quantitative design, so the strategies that can be used by a researcher for this type of study includes the case-study, experiment, survey, etc. (Ryder et al., 2020). However, research strategy used in present study was survey strategy. The survey was conducted through the questionnaire consisted of close-ended questions. On the basis of responses given by the participants, this research study highlighted whether to accept or reject the research hypotheses.

3.5 Research Type

The study used a correlational type and relied heavily on primary data to look at how the variables relate to one another. Correlational research was done to investigate phenomena that have already been investigated or areas where there has just been a little prior investigation. Its goal is to look at how different factors relate to one another (Patel & Patel, 2019).

3.6 Unit of Analysis

Individuals who are women entrepreneurs of SMEs in Pakistan served as the study's analytical unit (unit of analysis). These people served as the research's focal point and offered perceptions into the factors being examined.

3.7 Population

A collection of people, organizations, or other things that the researcher is interested in are referred to as the population (Newman & Gough, 2020). Women entrepreneurs of Pakistan made up the population for this study. In Pakistan, there are thought to be hundreds of women entrepreneurs. Hence, they collectively made up population of current research study.

3.8 Sample Size

A sample is chosen so that broad conclusions may be drawn about the population. A sample is a subset of individuals or things that accurately reflects the traits of the population (Mukherjee, 2019). In order to ensure accurate interpretation of the data acquired, the sample size is chosen. The sample size is determined by taking into account a number of variables, including experience, goal variance, and confidence level (McCusker & Gunaydin, 2015). To provide proper representation of the complete population of women entrepreneurs of Pakistan, the sample size for this study was calculated using Morgan's Table to be 150 respondents.

3.9 Sampling Technique

The convenience sampling technique was used in this study. This method was chosen because the researcher lacked a detailed understanding of the population and because it works well in circumstances when the population is not well defined. Convenience sampling is about approaching people who are readily available and willing to participate from the population. In this survey, the researcher asked for volunteers who had shown availability to fill out the questionnaire and take part in the study. Data gathering from respondents who were readily available and eager to engage was made easier by this sampling technique.

3.10 Research Instrument

A questionnaire used for data collection is adopted from research studies (Mehta et al., 2022; Bilal et al., 2021; Noor & Isa, 2020; Nasir et al., 2019; Akintimehin et al., 2019) performed in the past. All of the study's variables—financial knowledge, financial management skills, and investment and financing knowledge (independent variables) and business development (dependent variable)—were covered by questions in the survey. Six items adopted from Bilal et al. (2021) were used to measure financial knowledge, while six items adopted from Mehta et al. (2022) were used to measure financial management skills. Six items that were adopted from Nasir et al. (2019) were used to measure investment and financing knowledge. Twelve items adopted from Akintimehin et al. (2019) and Noor & Isa (2020) were used to measure business development (business expansion and revenue growth). On a Likert scale of 1 to 5 (1 representing strongly disagree and 5 representing strongly agree), each item was scored.

3.11 Data Collection Procedure

The process of obtaining information, facts, symbols, and other items from numerous sources is known as data collection (Ryder et al., 2020). Researchers gather information to enhance their research procedures. Primary data collection was used in this study, which entailed the researcher gathering information firsthand according to the objectives of current study. Compared to secondary data, primary data is seen to be more accurate and trustworthy since it is gathered in present rather than in the past. Through the survey, primary data was gathered in current study. The use of survey has helped the researcher in collecting information relevant to personal experiences and intangible concepts like words, experiences, feelings, and emotions. The main procedure of gathering data for this study was using an adopted questionnaire as the data collection tool. The majority of the 150 questionnaires that were delivered were handed out physically. Social media networks were also used to spread a few questionnaires and promote survey participation. The participants (women entrepreneurs of Pakistan) have participated easily since the questionnaire was made available in both hard copy and electronic version through physical distribution and social media platforms.

3.12 Data Analysis Technique

Data analysis refers to the process of collecting, modeling and analyzing data to derive information that support decision-making in research (Snyder, 2019). The nature and goals of the investigation affect the choice of data analysis technique. It is crucial to look at the correlations between these factors because data on financial literacy (financial knowledge, financial management skills, and investment and financing knowledge) and business development was all gathered. Statistical tests like correlation analysis and regression analysis were used to assess the data that was obtained from the survey participants. The study's goal was to investigate the connections between business development (dependent variable) and financial knowledge, financial management skills, and investment and financing knowledge (independent variables) using data analysis with the help of SPSS Software. Correlation and regression analysis were used to find relationships between variables and come up with answers to the study topic.

3.13 Research Ethics

Research ethics are guiding ideas and practices that guarantee the safety and welfare of research participants (Patel & Patel, 2019). To preserve the validity and integrity of the research process, it is crucial for researchers to abide by ethical principles. The research ethics were adhered to when performing current research study included informed consent, confidentiality, privacy, data protection, integrity of research, and institutional guidelines. Participants gave informed permission before being included in the study. Participants received comprehensive information about the study's objectives, methods, potential risks and rewards, confidentiality, and their freedom to discontinue participation at any time. It was underlined that participation was voluntarily given, and each participant gave their written consent.

Information about participants was kept totally secret during the course of this study. The researcher was the only one to have access to the participants' identities and other personal information. Only researcher was able to access the securely stored and protected data. When gathering data, participants' privacy was maintained. The researcher made sure that participant replies and personal data were handled with the highest respect. To give participants a comfortable and private atmosphere, care was made to conduct surveys or interviews in private locations. Steps were made to safeguard the information gathered for the study. Only the researcher had access to the securely stored data. To protect the participants' identity, all personally identifying information was either coded or kept anonymous. The research study respected the values of honesty and academic integrity. With an emphasis on precision, honesty, and transparency, the research was carried out. To prevent plagiarism and respect the rights of those who created the original works, correct reference and credit of such sources and works were upheld. Finally, the applicable institutional review boards or ethical standards were adhered to in the research. Before starting the research, all required permits or approvals were received. The study was carried out in accordance with the university's rules and ethical guidelines.

Chapter 4

DATA ANALYSIS AND FINDINGS

Introduction

Results from the survey used to gather data relevant to the research hypotheses are presented in this chapter. The answers received from the respondents were used to provide the analyses related to research hypotheses and examine correlation between research variables. An adopted questionnaire was presented to a sample of 150 respondents (women entrepreneurs of SMEs in Pakistan) in order to acquire the necessary data. Through the survey, we hoped to learn more about their perspectives on the topic at hand. After the data collection phase was over, the responses were carefully gathered and submitted to the appropriate statistical methods of analysis.

The data findings are detailed, highlighting the major connections, patterns, and trends discovered in the dataset. These findings aid in a better understanding of the study's subject and provide factual information that either supports or rejects the hypotheses proposed. The study emphasized on important conclusions drawn from the survey in this chapter. By summarizing the main conclusions, this study clarifies the most important inferences drawn from the data analysis and offers illuminating details regarding the research questions and objectives. These findings serve as the basis for further research, interpretation, and implications in this chapter.

4.1 Data Analysis

4.1.1 Reliability Analysis

The reliability of a questionnaire is crucial in assuring the accuracy and consistency of the data collected. It is chosen by assessing the relevance, coherence, and dependability of both the questionnaire items and the responses provided for data collection. Reliability analysis is a key component in assessing the overall dependability of the questionnaire and the data it generates. A reliability analysis was performed in the current study to assess the reliability and validity of the data gathered by the questionnaire. The purpose of the inquiry was to determine if the data collected was trustworthy for further analysis and whether the survey questions consistently evaluated the important factors.

A common method for evaluating reliability is to look at the reliability analysis score. A reliability score of 0.7 or above is typically regarded as satisfactory and indicates a good degree of reliability, according to Hair et al. (2014). This cutoff ensures that the survey items measure the intended components effectively and that the data collected from the replies is accurate and reliable. In the current study, the internal consistency and reliability of the questionnaire were assessed using the reliability analysis. In order to calculate the reliability score, Cronbach's alpha was used. Cronbach's alpha assesses the degree of interconnectedness and consistency among a scale's items.

The reliability analysis results on the survey responses collected for this study's data analysis are shown below. These outcomes demonstrate the reliability of the questionnaire and the collected data, and they also guarantee the correctness and consistency of the study's conclusions.

Table 1: Reliability Statistics

Variable	Cronbach's Alpha	N of Items
Financial Knowledge	.739	6
Financial Management Skills	.788	6
Investment and Financing Knowledge	.772	6
Business Development	.759	12
Total	**.764**	**30**

The reliability coefficients for the variables investigated in this study were calculated to demonstrate the reliability and consistency of the data collected. The reliability of financial knowledge, financial management skills, investment and financing knowledge, and business development were specifically noted as being 0.739, 0.788, 0.772, and 0.759 respectively. These reliability coefficients were obtained by using Cronbach's Alpha. It assesses the degree to which each variable's items are related to and consistent with one another. Because of the computed

Cronbach's Alpha values in this case (0.739, 0.788, 0.772, and 0.759), it can be concluded that the reliability of each questionnaire item and the information gathered from it is highly reliable.

The overall reliability of the entire questionnaire was also evaluated using Cronbach's Alpha, which produced a result of 0.764. This value is greater than the necessary threshold level of 0.7, indicating that the entire questionnaire has a high level of reliability. There is reason to think that the data was gathered consistently and dependably because both the individual variables and the full questionnaire have high reliability coefficients. This demonstrates the accuracy of data results and justifies the reliability of the subsequent analysis. After gathering the necessary information, this study continued on to assess the connections between the variables under investigation. The precise information acquired through the questionnaire provides a solid foundation for assessing and understanding the relationships between financial knowledge, financial management skills, investment and financing knowledge, and business development.

4.1.2 Correlation Analysis

Correlation is a statistical method for identifying the relationship between two or more variables. It requires figuring out how closely a variable's changes connect to those of another. Studying correlation sheds information on potential connections between variables by revealing the type and strength of the link between them. Correlation is a significant tool in research and data analysis since it allows researchers to examine the degree of link between variables. The correlation coefficient, which has a range of -1 to +1, may be used by researchers to determine the direction and strength of link.

Understanding correlations enables researchers to identify patterns, trends, and potential causal connections. It provides useful information for predicting and explaining how changes in one variable relate to changes in another. It's crucial to realize that not all correlations point to a cause and effect relationship. Even while two factors may correlate, this does not always mean that one of them directly affects the other. Researchers employ a range of statistical methods and techniques to compute and assess correlations, including Pearson's correlation coefficient, Spearman's rank correlation coefficient, and Kendall's tau coefficient. These methods offer a comprehensive analysis of the interrelationships between variables and reveal their interdependencies.

Table 2: Correlation Analysis

	1	2	3	4
1. Financial Knowledge	1			
2. Financial Management Skills	.389	1		
3. Investment And Financing Knowledge	.437	.459	1	
4. Business Development	.461	.494	.434	1

The correlation table provides crucial details regarding the connections between the variables under investigation. The results indicate a tendency for the variables to positively co-vary because they have a positive and marginally significant relationship to one another. First, the study demonstrates a moderately significant and positive association between financial knowledge and financial management skills, with a correlation coefficient of 0.389. This shows that greater financial management skills are a result of improved financial knowledge.

The results demonstrate a moderately significant and positive relationship between financial knowledge and investment and financing knowledge, with a correlation value of 0.437. This shows that higher investment and financing knowledge is a result of improved financial knowledge. With a correlation value of 0.459, financial management skills also demonstrates a modestly significant and positive relationship with investment and financing knowledge. This demonstrates that higher investment and financing knowledge is a result of greater financial management skills.

The data also shows a moderately significant and positive link between financial knowledge and business development, with a correlation value of 0.461. This demonstrates that greater business development is a result of improved financial knowledge. Additionally, with a correlation value of 0.494, financial management skills and business development are also moderately and positively associated. This demonstrates that greater business development is a result of enhanced financial management skills. With a correlation value of 0.434, the findings also show a moderate and positive relationship between investment and financing knowledge and business development. This demonstrates that greater business development is a result of increased investment and financing knowledge.

4.1.3 Regression Analysis

The table below, which provides information on the relationships between the variables investigated, displays the results of the linear regression analysis.

Table 3: Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	.681[a]	.464	.459	.43644	1.902

a. Predictors: (Constant), Financial Knowledge, Financial Management Skills, Investment and Financing Knowledge

The coefficient of determination, also known as R-square, reveals how much the variation in dependent variable (business development) is accounted for by the predictive factors (financial knowledge, financial management skills, and investment and financing knowledge). Financial knowledge, financial management skills, and investment and financing knowledge may both have an impact on 46.4 percent of the variation in business development, based on the R-square value of this study.

Another important statistic in regression analysis is the Durbin Watson's value, which assesses if autocorrelation is present in the model. The study's observed value of 1.902, which is within the highly acceptable range of the Durbin Watson's value, which ranges from 0 to 4, is considered. This demonstrates that the data points are highly independent and have little to no significant autocorrelation.

Another method for assessing how well the theoretical model matches the facts is the adjusted R-square. An adjusted R-square value of 45.9 percent was discovered in this investigation. This means that the theoretical model utilized in this study explains around 45.9% of variation in business development after accounting for the number of variables inside the model and degrees of freedom. It indicates that the research's theoretical model and the gathered facts are reasonably compatible.

Table 4: ANOVA

Model		Sum of Squares	df	Mean Square	F	Sig.
	Regression	8.378	3	2.793	23.846	.000[b]
1	Residual	81.849	146	.560		
	Total	90.227	149			

a. Dependent Variable: Business Development

b. Predictors: (Constant), Financial Knowledge, Financial Management Skills, Investment and Financing Knowledge

Results of the analysis of variance (ANOVA) demonstrate the significance of the theoretical model in comprehending the relationship between financial knowledge, financial management skills, investment and financing knowledge, and business development. Because the observed relationship is below the threshold of 0.05, the significance value indicates that it is statistically significant. The F value, which is more than 4, further supports the statistical significance of the theoretical model.

According to the statistical significance of the ANOVA results, the effect of financial knowledge, financial management skills, and investment and financing knowledge may be utilized to account for the differences in business development. The theoretical model effectively captures and explains the relationship between these variables, illuminating the critical role that financial knowledge, financial management skills, and investment and financing knowledge play in influencing business development.

Table 5: Coefficient

	Model	Unstandardized Coefficients		Standardized Coefficients	T	Sig.
		B	Std. Error	Beta		
	(Constant)	1.025	.238		3.741	.002
	Financial Knowledge	.661	.084	.655	3.147	.001
1	Financial Management Skills	.225	.056	.220	2.641	.002
	Investment and Financing Knowledge	.107	.041	.102	2.310	.002

a. Dependent Variable: Business Development

The findings displayed in the table above emphasize on the relationship between financial knowledge, financial management skills, investment and financing knowledge, and business development. Since the significance value for the relationship between financial knowledge, financial management skills, investment and financing knowledge, and business development is less than the threshold of 0.05, statistical analysis shows that there is a significant and meaningful positive relationship between these variables. This shows that business development improves when financial knowledge, financial management skills, and investment and financing knowledge rise, and vice versa.

The idea that financial knowledge, financial management skills, and investment and financing knowledge increase business development is supported by the fact that the coefficients of financial knowledge (b = 0.661), financial management skills (b = 0.225), and investment and financing knowledge are significant and in the positive range. The importance of financial knowledge, financial management skills, and investment and financing knowledge in enhancing sustainable business development is highlighted by these findings.

4.2 Data Findings

Based on results of current study, following are the data findings:

Hypothesis 1 'Financial knowledge has positive impact on business development of women entrepreneurs of SMEs in Pakistan' has been accepted in correlation and regression analysis. Findings of current study through correlation and regression analysis have proved that financial knowledge was positively correlated with business development, accepting H1. Significant positive relationship between financial knowledge and business development was found in regression analysis, accepting H1.

Hypothesis 2 'Financial management skills have positive impact on business development of women entrepreneurs of SMEs in Pakistan' has been accepted in correlation and regression analysis. Findings of current study through correlation and regression analysis have proved that financial management skills were positively correlated with business development, accepting H2. Significant positive relationship between financial management skills and business development was found in regression analysis, accepting H2.

Hypothesis 3 'Investment and financing knowledge has positive impact on business development of women entrepreneurs of SMEs in Pakistan' has been accepted in correlation and regression analysis. Findings of current study through correlation and regression analysis have proved that investment and financing knowledge was positively correlated with business development, accepting H3. Significant positive relationship between investment and financing knowledge and business development was found in regression analysis, accepting H3.

Table 6: Data Findings

Hypothesis	Statement	Accepted/Rejected
H1	Financial knowledge has positive impact on business development of women entrepreneurs of SMEs in Pakistan.	Accepted
H2	Financial management skills have positive impact on business development of women entrepreneurs of SMEs in Pakistan.	Accepted
H3	Investment and financing knowledge has positive impact on business development of women entrepreneurs of SMEs in Pakistan.	Accepted

Chapter 5

CONCLUSION AND RECOMMENDATIONS

5.1 Conclusion

The primary objective of this study was to examine the relationships between financial literacy (financial knowledge, financial management skills, investment and financing knowledge) and business development in Pakistan. Financial knowledge, financial management skills, and investment and financing knowledge (representing financial literacy) served as the independent variables. Business development was considered as the dependent variable. Women entrepreneurs of SMEs in Pakistan were the study's intended audience for exploring the connections between the aforementioned variables. A questionnaire was distributed to 150 respondents who were women entrepreneurs of SMEs in Pakistan in order to collect data and establish the relationship between the research variables. Financial knowledge, financial management skills, and investment and financing knowledge were experimentally tested with business development to investigate the relationships, and it was discovered that there was positive connections between them with magnitudes of 0.461, 0.494, and 0.434 respectively.

The study's hypotheses were either accepted or denied using a significance level scale with a threshold of up to 5%. The H1, H2 and H3 were evaluated using the significance level scale to determine whether they were accepted or rejected. The significant level for financial knowledge in connection to business development was found to be less than 0.05. The research hypothesis 1 (H1) was approved as a consequence. Because the significance threshold for financial management skills in relation to business development was also less than 0.05, hypotheses 2 (H2) was accepted. The significant level for investment and financing knowledge in connection to business development was found to be less than 0.05. The research hypothesis 3 (H3) was approved. Regression research revealed substantial relationships between financial knowledge, financial management skills, and investment and financing knowledge (independent variables) and business development (dependent variable). As a result, research indicates that increasing financial literacy (financial knowledge, financial management skills, and investment and financing knowledge) contribute to increased business development of women entrepreneurs of SMEs in Pakistan.

5.2 Research Implications

5.2.1 Theoretical Implications

By examining the importance of women entrepreneurs' financial literacy in the context of business development, this research adds to the body of previous knowledge. By offering theoretical insights into the mechanisms and circumstances that drive these interactions, the study's findings can help us better comprehend the connection between financial literacy and business development. In order to better understand the complex relationships between financial literacy (financial knowledge, financial management skills, and investment and financing knowledge) and business development, research may also be used to improve the theoretical frameworks that are already in place or to create new ones.

5.2.2 Practical Implications

The study's conclusions can assist women entrepreneurs, managers and decision-makers in Pakistani firms understand the value of financial literacy in the context of digital finance by offering them useful advice. To successfully negotiate the possibilities and challenges connected with acquiring digital finance, managers may be encouraged to increase their financial literacy abilities, particularly in areas relevant to digital finance. This will improve business development. To improve financial literacy among women entrepreneurs, managers and staff, organizations might create training programs or seminars that focus primarily on knowledge and skills relevant to digital money. The study can show how important it is for businesses to invest in their digital finance capabilities and create plans for utilizing these tools and platforms to gain a lasting competitive edge.

5.2.3 Policy Implications

The results of this study can help Pakistani policymakers understand the value of financial literacy in the world of digital finance and how it affects business development. Policymakers may think about including financial literacy programs in school curricula to encourage early exposure to digital finance education and awareness. Government agencies can work with industry participants to create regulations and programs that facilitate the adoption and use of digital finance tools and technology, with a focus on enhancing women managers' and entrepreneurs' financial literacy. To foster innovation, foster the acquisition of digital finance, and ensure fair competition, policymakers may also concentrate on developing an enabling regulatory framework. This can eventually help a women entrepreneur develop the business.

5.3 Research Limitations

While surveys and questionnaires are effective ways to collect primary data for research, there are a number of restrictions that may restrict how the findings may be understood and extended. The survey's sample size, which was utilized to obtain primary data, may, in the beginning, be a limitation. Due to time and resource constraints, the sample size could not adequately capture the diversity and complexity of the population under study. As a result, it could be challenging to extend the findings to a larger population. The research design and methodology might be linked to yet another limitation. Despite efforts to ensure the validity and reliability of the questionnaire, there is always a possibility of response bias or measurement error. It is possible for participants to provide inaccurate or insufficient information or to respond in a way that is socially acceptable, which might skew the results.

The reliance on self-reported data from surveys may also compromise the accuracy and dependability of the data collected. The respondents' varying levels of familiarity or understanding with the topics under consideration may have an influence on the quality of their responses. The validity of the results may also be impacted by recall bias or subjective interpretation of self-reported data. Researchers need to be mindful of these constraints as they evaluate the data and draw conclusions. For the research design based on primary data collection, sampling bias may be a concern. The sample's intrinsic biases, such as non-response bias or self-selection bias, might impact the sample's representativeness and lead to biases in the results. In addition, the cross-sectional character of survey data may potentially be a limitation. Cross-sectional data provide a snapshot of a certain point in time, making it challenging to draw causal conclusions or comprehend long-term dynamics. Finally, it's possible that the results only apply to the specific circumstances of the developing country that was the subject of the study. Cultural, social, economic, and political differences between countries may have an impact on the consequences of financial literacy on outcomes for business development.

5.4 Recommendations for Future Research

In the future, researchers could consider expanding the sample by include more people from various backgrounds in order to get around the sample size issue. This will increase the findings' generalizability and representativeness. In addition, researchers may conduct thorough pretesting and pilot studies to minimize biases and measurement errors that may be present in the survey approach and questionnaire design. Moreover, researchers may partner with other organizations or researchers to obtain larger and more diverse samples. This process helps identify and correct any biases, ambiguities, or difficult-to-understand questions in respondents' questionnaire replies. To learn more about how respondents interpret and understand the survey questions, researchers might conduct cognitive interviews with a sample of participants to enhance the questionnaire. Furthermore, future researchers might employ data validation techniques. To determine if self-reported data is accurate and reliable, it may be required to compare it to data from outside sources or objective indicators. Researchers might, for instance, correlate survey findings with financial transaction records or other data sources to confirm the offered financial literacy measures.

Future researchers may consider combining longitudinal or panel data collection techniques. Longitudinal studies gather data over a considerable amount of time in order to assess changes and pinpoint causal relationships throughout time. By collecting data at multiple time points, researchers may better understand the dynamic nature of the relationship between the results of business development and financial literacy. Additionally, future researchers might employ probability sampling techniques such stratified random sampling or cluster sampling. These methods increase the likelihood of obtaining a representative sample and reduce biases brought on by self-selection or non-response. Researchers should compare the characteristics of respondents and non-respondents in order to spot any biases and make the appropriate adjustments to the results. Finally, researchers may choose to combine surveys with in-depth interviews, focus groups, or other methodologies while gathering data. By offering additional insights and cross-validating data, the triangulation of methodologies can boost the overall study outcomes. Qualitative data can provide detailed contextual understanding of the complex relationships between financial literacy and business development.

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APPENDIX (RESEARCH QUESTIONNAIRE)

Section A: General Information

Age:

- Less than 30 years
- 30 to 45 years
- More than 45 years

Education:

- Undergraduate
- Graduate
- Postgraduate

Marital Status:

- Married
- Single
- Divorced
- Widowed

Years of Business Experience:

- Less than 5 years
- 5 to 10 years
- More than 10 years

Section B: Independent Variables

Financial Knowledge (Bilal et al., 2021)	**Strongly Disagree**	**Disagree**	**Neutral**	**Agree**	**Strongly Agree**
I am familiar with the principles of insurance and the types of insurance coverage available.	1	2	3	4	5
I understand the concept of risk and return in investment decision-making.	1	2	3	4	5
I am aware of the importance of credit scores and how they affect my financial standing.	1	2	3	4	5
I can explain the concept of interest rates and their impact on borrowing and saving.	1	2	3	4	5
I have the knowledge about different types of financial products and services available in the market.	1	2	3	4	5
I am familiar with basic financial concepts such as budgeting, savings, and financial planning.	1	2	3	4	5

Financial Management Skills (Mehta et al., 2022)	Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree
I adapt to changing financial circumstances and make adjustments to my financial plans.	1	2	3	4	5
I have strategies in place for managing debt, including loan repayment and minimizing interest costs.	1	2	3	4	5
I am skilled in managing cash flow, including monitoring income and expenses and optimizing working capital.	1	2	3	4	5
I am very confident in my ability to develop and implement financial plans to achieve my business goals.	1	2	3	4	5
I regularly review and analyze my financial statements to assess the financial health of my business.	1	2	3	4	5
I effectively manage my personal or business finances, including budgeting and expense tracking.	1	2	3	4	5

Investment and Financing Knowledge **(Nasir et al., 2019)**	**Strongly Disagree**	**Disagree**	**Neutral**	**Agree**	**Strongly Agree**
I am familiar with investment and financing strategies for business growth and expansion.	1	2	3	4	5
I can assess the financial implications of different financing options and determine the most suitable choice for my business.	1	2	3	4	5
I am knowledgeable about different sources of financing for my business, such as bank loans, crowdfunding, or venture capital.	1	2	3	4	5
I understand the factors to consider when evaluating investment opportunities, such as return on investment and risk assessment.	1	2	3	4	5
I can explain the concept of diversification and its role in reducing investment risk.	1	2	3	4	5
I am familiar with different investment options available in the market, such as stocks, bonds, or mutual funds,	1	2	3	4	5

Section C: Dependent Variable

Business Development (Noor & Isa, 2020; Akintimehin et al., 2019)	Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree
Business Expansion					
I am willing to take calculated risks, such as entering new markets or investing in new technologies, to facilitate business expansion.	1	2	3	4	5
I adapt my business operations and strategies to changing market trends and consumer demands.	1	2	3	4	5
I can allocate resources and invest in research and development to enhance my business's innovative capabilities.	1	2	3	4	5
I am actively seeking partnerships or collaborations with other businesses to expand my customer base or reach.	1	2	3	4	5
I am open to the idea of introducing new products or services to	1	2	3	4	5

diversify my business offerings.					
I consider exploring new markets or geographic areas as a means of expanding my business	1	2	3	4	5
Revenue Growth					
I regularly analyze my sales and revenue data to identify opportunities for increasing revenue.	1	2	3	4	5
I utilize marketing and promotional strategies to attract new customers and retain existing ones.	1	2	3	4	5
I am actively seeking ways to increase customer satisfaction and loyalty to drive repeat business and referrals.	1	2	3	4	5
I manage pricing strategies to optimize profitability while remaining competitive in the market.	1	2	3	4	5
I explore strategies to upsell or cross-sell products or services to existing customers.	1	2	3	4	5
I invest in customer relationship	1	2	3	4	5

management systems or tools to enhance sales and revenue tracking.					

Thank You!