

**Attitudes towards borrowing : A case study of entrepreneurs of Kinondoni municipality
in Dar es salaam, Region, Tanzania**

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The objective of this study was to investigate on the attitudes towards borrowing for entrepreneurs of Kinondoni Municipality. The sample of the study was identified through snowball technique in order to get modest sample for the efficiency of the study.

The primary data were collected by using structured questionnaires and interviews in order to obtain reliable information for the study. The questionnaires and interviews results were run through Micro Soft Excel to obtain data for analysis. However, the conclusion as to entrepreneurs attitude towards borrowing was drawn using both qualitative and quantitative analysis. Generally the study revealed that despite Tanzanian sector being liquid, many SMEs owners meet most of their financial needs through informal financing, such as friends, and relative sources. Further the study reveals that entrepreneurs attitude towards borrowing is influenced by lengthy lending procedures, the question of collaterals, high interest rates, asymmetric information and lack of knowledge on bankable business plan. Therefore, in order to improve SMEs and banks relationships the elimination of asymmetric information is of paramount importance. Further it recommends that the government of Tanzania and its regulatory authorities should review all laws and regulations that impede the efficiency in lending to SMEs hence improving Tanzania's overall economic performance.