

Abstract

The study sought to assess the influence of financial literacy on the performance of SMEs by examining budgeting and bookkeeping literacy in Gatundu South Constituency, Kiambu County, Kenya. The study utilized descriptive research design and assumed a random sampling technique to identify a sample of 130 SMEs. Purposive sampling was used to identify the respondents. A questionnaire was used as the primary data collection tool. The research utilized descriptive analysis and multiple regression model to analyze the relationship between financial literacy and financial performance. The findings indicated that there was consistency with prior empirical literature thus recommending that every business owner should strive at acquiring financial literacy skills to reap the benefits of better and improved financial performance. Persons of goodwill such as the government and financial institutions should aim at offering trainings to business owners since their success contributes to the greater good of the country and beyond.