

Financial Literacy and Business Record Keeping Among Women Entrepreneurs: A Survey of Women Micro Entrepreneurs in District Chitral

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ABSTRACT

The present study explores the current level of financial literacy and financial record keeping practices of micro women entrepreneurs in District Chitral. A remote region of the country where structural and socio cultural barriers restricts business opportunities for women. The study used cross sectional survey design. Using purposive sampling primary data was collected through survey questionnaire from eighteen women entrepreneurs. Data was analyzed using descriptive and inferential statistics. Cross tabulation is used to further identify the relationship between various variables. The finding depicts low level of financial literacy and limited record keeping practices. Financial planning and awareness of investment options and credit sources also found limited. The results also revealed a significant relationship between financial literacy and financial record keeping. This finding reflects the nexus of financial literacy and record keeping in enhancing business efficiency. Training programs together with awareness campaigns and female specific products could enhance financial literacy, record keeping practices and financial inclusion. The study provides insight to practitioners, policy makers and financial institutions who are struggling to boost women economic empowerment.

Key Words: Empowerment, Women entrepreneurs, Record keeping, financial literacy, Chitral

Introduction

Women entrepreneurs play crucial role in creating employment opportunities and economic development of the country (Ekpe et al., 2010). In America women led enterprises created job opportunities for 12.9 million people and generated round about \$ 3.3 trillion revenues. Further these businesses make 40% of all American firms in 2024 (National Women's Business Council, 2024). Likewise in Malaysia, Women led small and medium enterprises are 17% of all SMEs. These women owned SMEs are contributing in creating job opportunities for 0.833 million people and generating RM 89.3 billion revenue (Department of statistics Malaysia, 2024). Similarly, Women led businesses have created 22 to 27 million jobs making up 39% of all registered micro, small and medium enterprises in India (India business trade, 2024). Whereas in Pakistan, out of over five million small and medium enterprises, about 8% of SMEs are owned by women (Lahore University of Management Sciences, 2024). Despite their significant contribution women entrepreneurs are facing various challenges. Like prior studies depicts that limited financial literacy and record keeping leads to the failure of small businesses (Purnomo, 2019). However, according to Walczak and Pieńkowska-Kamieniecka, (2018) the success of any business largely depends on financial literacy and business know how.

Financial Literacy provides entrepreneurs the necessary skills to smoothly run the business. For example, the skills to understand and avail opportunities, to deal with financial problems and to improve operating efficiency of the business (Wise, 2013). Beside financial literacy, high quality business record keeping practices are also crucial for entrepreneurs. For instance, for developing creditworthiness, to track financial performance, enhance transparency and obtain formal loan (Bruhn & Zia, 2011). Alongside Proper record keeping also provides necessary documentation to show businesses' financial credibility (Hussain et al., 2018). Past studies also reflect that high financial literacy along with systematic business record keeping is crucial for business growth (Drexler et al., 2014; Adela et al., 2024; Siekei et al., 2013; Wise, 2013; Bruhn & Zia, 2011).

However, women entrepreneurs often face various challenges. Poor business record keeping and limited financial literacy are prominent. As a result they become unable to make effective financial decision, financial planning and access credit (Drexler et al., 2014, Eniola & Entbang, 2017). In remote areas women entrepreneurs particularly face more hurdles. Such as limited education, social norms, awareness regarding financial system and structural barriers. Due to these obstacles they become unable to maintain accurate record and manage their financial matters (Siekei et al., 2013).

From the study of literature it is observed that training programs can play important role in addressing issues confronting women entrepreneurs (Chepkemai, Egondi, & Njoroge, (2017), Hameed et al., 2017, Khan and Noreen, 2012, Akanji, 2006). According to Eniola & Entbang, (2017) customized training programs on financial literacy and records keeping are useful in improving proper record keeping and enhanced financial decision making. Whereas Empower Women, (2014) suggests that tailored programs are capable of generating true women economic empowerment. These targeted trainings can help women entrepreneurs to overcome barriers that restraints their potential.

Online ISSN

3007-3197

Print ISSN

3007-3189

<http://amresearchreview.com/index.php/Journal/about>

In light of this literature, the current study investigates the present state of financial literacy and record keeping practices of women business owners in District Chitral. The aim of the study is to determine current state of record keeping, the level of financial literacy, the training needs and challenges faced by women business owners. So that practitioners, financial institutions and policy makers can design training programs according to the needs of local women business owners.

Literature Review

Financial literacy means financial skills and knowledge that are required to make effective decision regarding the use and management of money (Beal and Delpachitra, 2003). Financial literacy is considered valuable in the success of businesses and prevents losses caused due to poor financial management (Berryman, 1983). The “Global Entrepreneurship Monitor” (GEM) 2010 studies depicts that to some extent lack of financial literacy has become one of the major weaknesses among the owners of small businesses. This weakness leads to the failure of small businesses (Purnomo, 2019). Financial literacy is necessary for survival of businesses in modern world (Kim, 2001). According to Drexler et al. (2014), financially literate entrepreneurs will be in a better position to make smart financial decision. In the same way, Eniola & Entbang (2017) study also indicates that being financially literate also helps in accessing credit and financial services. These are necessary for scalability and growth of the business. Furthermore, study of Wise (2013) reflects that women entrepreneurs with concrete financial literacy are more engaged in making long term investment decisions and strategic planning. On the other hand lack of financial knowledge hampers business growth and success. Like Hussain et al. (2018) study shows that lack of financial literacy among women entrepreneurs make it difficult for them to find way in dynamic financial system and access funding sources for their Businesses.

Alongside financial literacy, proper record keeping also plays significant role in the success of the business (Jonck, P., & Nwosu, L., 2022). Financial record keeping refers to systematic process of documentation of all financial transactions (Adu, C.A., (2016). Good record keeping practices play crucial role in the success of the business. Which are indispensable for making financial decisions, financial planning, for tracking financial position and assessing profitability of the business (Bruhn & Zia, 2011). Further proper record keeping builds trust and credibility of the business making it easy to access loan and other financial services (Siekei et al., 2013). However, large number of women micro entrepreneurs in emerging and developing countries are not able to keep financial record (Jonck, P., & Nwosu, L., 2022). According to Jonck, P., & Nwosu, L. (2022) many of the micro women entrepreneurs keep an informal record or do not practice record keeping. Furthermore the study underlines limited financial knowledge, resources and lack of proper training as major obstacles. Therefore, it is crucial to make them financially literate, introduce record keeping tools and trained them (Hussain et al., 2018).

Literature reveals that there is close relationship between financial literacy and financial record keeping. Financial literacy provides skills and knowledge whereas record keeping provides means to apply those skills (Eniola & Entbang, 2017). The combine affect of financial literacy and record keeping provide strong foundation for sound

Online ISSN

3007-3197

Print ISSN

3007-3189

<http://amresearchreview.com/index.php/Journal/about>

financial management. According to Bruhn & Zia (2011) entrepreneurs who have strong financial knowledge and maintain systematic records are in a better position to plan for future, respond changes and avail loan. Similarly, Bongomin, Semukono, Lubega, & Yourougou, (2025) also depict that women entrepreneurs with sound financial skills and practices have higher chance to obtain loan. This finding suggests that organized record keeping along with financial literacy makes financial inclusion easy. According to Chepkemai, Egondi, & Njoroge, (2017) customized training programs are significant to improve these capacities.

Generally, women entrepreneurs have less knowledge of financial market and system as compared to men. Researches on knowledge of individual finance and behavior among the two different genders found that women possess comparatively low knowledge than men (Lusardi & Mitchell, 2008, Fonsca et al., 2012, Lusardi & Tufano, 2015). According to Constantinidis et al. (2007) women owned businesses face more challenges and restrictions in accessing finance as compared to men owned businesses. Particularly in backward areas many structural and socio cultural barriers restricts them in accessing finance. Literature reveals lack of educational opportunities, limited financial knowledge, lack of formal training, restrictive gender bias and limited understanding of financial system among the prominent socio cultural and structural barriers (Siekei et al., 2013). Literature emphasizes on financial education, financial inclusion, trainings and mentorship to address the hurdles. For example Wise (2013) suggests mentorship programs to close the gap between theory and practical application. Additionally, Drexler et al. (2014) also suggests peer networking to enhance shared knowledge and learning.

To sum up, literature reveals that financial literacy and systematic record keeping are among major drivers of business success. Scholars have made extensive efforts in this domain. But gap still exists pertaining to understanding level of financial knowledge among women and identifying and responding to the needs of women micro entrepreneurs in backward area like Chitral. Therefore, the current study further enriches existing literature by investigating existing level of financial literacy, record keeping practices and identifying challenges faced by women micro entrepreneurs in District Chitral.

Methodology

The study used cross sectional survey design to determine current state of financial literacy and record keeping practices of women owned businesses in Chitral. This approach is useful to capture firsthand knowledge within single point in time. The sample of the study comprised of women entrepreneurs running businesses in women market established by AKRSP in Upper and lower Chitral. Using purposive sampling method a total of 18 women entrepreneurs were selected.

The study utilized self developed questionnaire for collection of data. The tool was designed for this study on the basis of previous literature and theory. The questions were guided by variables that are frequently researched in financial literacy studies to guarantee construct and content validity. Although the data collection tool has not been adopted from specific source but the structure of the tool is aligned with the best practices in survey designed. To refine the questionnaire it was further reviewed by

expert of this field (DeVellis, 2017; Boateng et al., 2018; Price, 2001; Griffeth et al., 2000).

Data was analyzed using inferential and descriptive statistics through Microsoft Excel. To identify relationships between various variables cross tabulation is used. To determine gaps and strengths group average scores were calculated for each section. For calculation of average score, first of all numerical values were assigned to the responses of all respondents. For example Yes = 1, No = 0 and for scale responses “yes always” = 3, “sometimes” = 2 and “Never” = 1, for questions in which respondents had options to choose more than one options “if 1 option selected = 1, if 2 = 2 and if 3 = 3 and so on). Then section score for each respondent were calculated by summing up each response score. Afterward, the group average score for each section were calculated by adding all participants’ each section scores and dividing by the total number of participants. To get deep insights to challenges faced and strategies to resolve these issues the study analyzed open ended response thematically. To obtain honest, accurate data and open participation confidentiality was assured. Oral consent of the participants was obtained before data collection.

Results and Discussion

Descriptive Statistics and Frequency Analysis

Demographics of Respondents

The socio demographic profile as depicted in Table 1 given below reflects significant insight regarding financial literacy and business record keeping practices of women entrepreneurs in District Chitral. Table 1 below shows that the respondent’s ages range from 20 to 49 years. The majority of the respondents fall within the age range of 30-39 (i.e. 44.44%). Secondly 33.33% were in the age bracket of 20 to 29 and 22.22% of the respondents fall within 40 to 49 years age range. This demographic profile indicates that majority of the women entrepreneurs in earlier to mid career phase. Further, 55.56% of the entrepreneurs were married whereas 44.44% respondents were unmarried. Furthermore, demographic profile reveals that respondents are having different educational backgrounds. 27.78% are matriculate, 16.67% intermediate, 27.78% holds Bachelor’s degree, 16.67% Masters Degree, primary education 5.56% and Middle 5.54%. It is observed that most of the women entrepreneurs are having moderate to high education background that could help them in understanding financial concepts.

The finding regarding nature or type of business depicts that majority of the respondents (66.67%) are running retail businesses whereas 5.55% are involved in service sector. Additionally 11.11% in handicrafts and 16.67% are involved in business other than these businesses. This result suggests the need to enhance skills that are necessary for retail operations. Table 1 below depicts that all the respondents are running sole proprietorship business. These entrepreneurs are running business alone therefore the finding suggests the need of targeted training that focus on self sufficient financial and management skills. Additionally, sole proprietors face problems like lack of capital. In this connection designing female specific credit products and offering financial service could significantly support in growth of business. Further it is revealed that most of the respondents are in business for less than a year (61.11%). Respondents from 1 to 4 years

Online ISSN

3007-3197

Print ISSN

3007-3189

<http://amresearchreview.com/index.php/Journal/about>

in business were 22.22% whereas small numbers of respondents (5.56%) were operating business for the last 4 to 7 years. Additionally 11.11% had been in business for more than 7 years.

Table 1: Socio-Demographics Characteristics of Respondents

Demographic Factors	Variables	Frequency	Percentage
Age	20–29	6	33.33%
	30–39	8	44.44%
	40–49	4	22.22%
Marital Status	Married	10	55.56%
	Unmarried	8	44.44%
Educational Background	Primary Education	1	5.56%
	Middle Education	1	5.54%
	Metric	5	27.78%
	Intermediate	3	16.67%
	Bachelors/Hons.	5	27.78%
	Masters (MA)	3	16.67%
Nature of Businesses	Services	1	5.55%
	Handicrafts	2	11.11%
	Shopping Center	12	66.67%
	Other	3	16.67%
Form of Business	Sole Proprietorship	18	100.00%
	Partnership	0	0.00%
	Private Company	0	0.00%
Years in Business	Less than 1 year	11	61.11%
	1-4 Years	4	22.22%
	4-7 Years	1	5.56%
	More than 7 Years	2	11.11%

Financial Literacy and Practices of Respondents

The results regarding financial literacy and record keeping practices among women entrepreneurs are given in Table 2 below. The result reveals that 55.56% of the respondents are “somewhat comfortable” whereas 44.44% of the respondents reported that they are “not comfortable with basic financial concepts. The finding indicates the need of tailored foundational training on basic financial concepts. Regarding financial habits results reflects that 66.67% set aside some money as saving, 11.11% prepares proper budget 16.67% properly maintain inventory records. Further only 5.56% of the respondents reported that they are involved in searching investment opportunities. A significant numbers of respondents are saving money for unforeseen events its good sign. But low level of budgeting practice and inventory tracking indicates the need to

Online ISSN

3007-3197

Print ISSN

3007-3189

<http://amresearchreview.com/index.php/Journal/about>

enhance these important skills for effective operations of the business. The results regarding financial performance review depicts that majority of the respondents (55.56%) do this “rarely”. 27.78% respondents reported that they are reviewing their financial performance monthly, whereas 16.67% are “never” reviewing their financial performance. The irregular review of financial performance indicates a gap in financial assessment. This may be due to lack of proper record keeping and financial statements. The finding suggests the need of customized training on financial statement preparation and importance of regular financial monitoring.

Further majority of the respondents, 61.11%, reported that they are not aware about investment options and 38.89% are somewhat aware about investment options. The result highlights the need of training on fundamental investment principles and options. So, this training program will provide entrepreneurs the necessary skills to undertake the right investment. Additionally, 66.67% of the respondents are unaware of the credit sources whereas 33.33% reported that they have some knowledge of credit sources. This finding suggests the need of awareness raising campaigns regarding credit sources and loan application process. This will help women entrepreneurs to acquire financial resources that are necessary for business expansion.

Table 2: The Dimensions of Financial Literacy and Practices

Items	Measures	Frequency	Percentage
Understanding of Financial Concepts	Somewhat comfortable	10	55.56%
	Not Comfortable	8	44.44%
Regular Financial Practices	Budgeting	2	11.11%
	Saving	12	66.67%
	Tracking Inventory	3	16.67%
	Investment Search	1	5.56%
Review of Business Financial Position & Performance	Monthly	5	27.78%
	Rarely	10	55.56%
	Never	3	16.67%
Knowledge of Investment Options	Yes	7	38.89%
	No	11	61.11%
Awareness of Credit Source	Yes	6	33.33%
	No	12	66.67%

Financial Record Keeping Practices of Respondents

The survey also investigated current financial record keeping practices of respondents. The results in Table 3 given below depicts that 88.89% of the respondents are keeping records daily and 11.11% reported that they do not keep records regularly. Furthermore, out of 88.89% respondents who keep record, only small percentage of respondents (5.56%) are maintaining comprehensive records. Whereas 66.67% of the respondents

Online ISSN

3007-3197

Print ISSN

3007-3189

<http://amresearchreview.com/index.php/Journal/about>

are only tracking accounts receivable and payable, 22.22% record sales as well. The result indicates that the respondents are aware of the importance of record keeping. In addition, the result also highlights that the scope of their record keeping is very narrow. They are ignoring important aspects of record keeping like inventory and expense tracking.

Manual record keeping method in notebooks was the most common method (88.89%). This manual method can create challenges in terms of recording, organizing, reviewing and updating records. The introduction of simple digital tools could ease these challenges. Further, 33.33% reported that they are checking and updating their records monthly whereas 33.33% are doing it rarely and 16.67%. This result highlights the gap in regular financial oversight. 94.44% of the respondents have not received any formal training on financial record keeping while, 5.56% have attended related training.

Table 3: The Dimensions of Business Record Keeping Practices

Items	Measures	Frequency	Percentage
Keeps Daily Record	Yes	16	88.89%
	No	2	11.11%
Type(s) of Record Maintained	Accounts Payable and Receivables	12	66.67%
	Sales, Expense, Accounts Payable & Receivables	1	5.56%
	Sales & Accounts Payable and Receivables	4	22.22%
	Expense & Inventory	1	5.56%
Record Keeping Tool(s)	Manual/Notebook	16	88.89%
	None	2	11.11%
Review /Update Business Record	Weekly	3	16.67%
	Monthly	6	33.33%
	Rarely	6	33.33%
	Never	3	16.67%
Training in Record Keeping	Yes	1	5.56%
	No	17	94.44%

Financial Decision Making and Planning of Respondents

As per table 4 below 50% of the do not use any specific method for financial decision making and planning, 33.33% depends on past records and 16.67% make financial choices based on current sales. It is observed from the result that half of the respondents are lacking structured approach. The finding depicts prominent gap in systematic financial choices. When respondents were asked regarding planning for expenses, 5.56% reported they always plan in advance, 61.11% said they plan sometimes and remaining 33.33% not doing any plan at all. Planning ahead regarding expenses is important for maintaining business cash flow in track and being ready for unforeseen

Online ISSN

3007-3197

Print ISSN

3007-3189

<http://amresearchreview.com/index.php/Journal/about>

expenses. In this regard tailored training on budgeting techniques and financial planning could help entrepreneurs in managing expenses. It is also found that 50% of the respondents face challenges in managing cash flow. The finding depicts the inability of respondents to keep track of cash inflows and outflows and balance between income and expenses. Furthermore, 11.11% of respondents said they have a financial plan for their business and 88.89% are running business without any financial planning. This reflects that majority of the entrepreneurs are running their business without financial goals and long term planning.

Table 4: The Dimensions of Financial Decision Making and Planning

Items	Measures	Frequency	Percentage
Financial Decision Making Method	Based on Sales	3	16.67%
	Past Records	6	33.33%
	No Specific Method	9	50.00%
Plans for Business Expenses	Yes Always	1	5.56%
	Sometimes	11	61.11%
	No	6	33.33%
Challenges in Cash Flow Management	Yes	9	50.00%
	Occasionally	9	50.00%
Has Financial Plan of Business	Yes	2	11.11%
	No	16	88.89%

Financial Services and Support

The survey also examined how women entrepreneurs access and use financial services and products. As shown in Table 5 below, only 16.67% of respondents reported having a business bank account, while 83.33% do not have bank account. This lack of access to formal banking represents a major barrier to financial inclusion. In this regard awareness highlighting advantages of maintaining business bank account could play crucial role. In addition female business specific product could also help in boosting financial inclusion.

The results also depicts that 22.22% of the respondents had applied for the loan and 77.78% had not applied for the loan. This result depicts limited awareness of financial product or it reflects challenges that restraints them for loan application. Awareness campaigns about financial products and designing female specific products can increase access to the capital.

About 22.22% of the respondents said that they have received financial advisory service whereas 77.78% lack such support. This result highlights the importance of financial services and mentorship program. More than half of the respondents (55.56%) reported are not availing any financial services, 27.78% had savings accounts, 11.11% used EasyPaisa, and 5.56% are engaged in internet banking. This finding indicates limited involvement of females in financial system. Promoting accessible product can increase

Online ISSN

3007-3197

Print ISSN

3007-3189

<http://amresearchreview.com/index.php/Journal/about>

financial inclusion. The result also highlights the needs of targeted training programs. Majority of the respondents (94.44%) considers training and financial education important for the growth of their businesses. 5.56% showed interest bookkeeping tool and access to credit. This overwhelming preference for financial education highlights a strong desire to develop essential financial skills, with respondents clearly valuing knowledge over quick access to credit.

Table 5: The Dimensions of Financial Services and Support

Items	Measures	Frequency	Percentage
Has Business Bank Account	Yes	3	16.67%
	No	15	83.33%
Applied for Business Loan	Yes	4	22.22%
	No	14	77.78%
Access to Financial Advisory Services	Yes	4	22.22%
	No	14	77.78%
Current Financial Services Used	Internet Banking	1	5.56%
	Easy Paisa	2	11.11%
	Saving Account	5	27.78%
	None	10	55.56%
Preferred Financial Support	Training and Financial Education	17	94.44%
	Credit access and Bookkeeping		
	Tool	1	5.56%

Training Needs and Expectations

The survey also explored the training need and expectation of the respondents. As per results presented in table 6 below, 55.56% of the respondents expressed a desire to develop credit management skills. 16.67% respondents want to develop budgeting skill and 16.67% proper record keeping. Very small percentage of respondents showed interest in saving i.e. 5.56%.

Majority of the respondents (83.33%) believe that financial literacy and business record keeping training would greatly improve their business efficiency. On the other hand 16.67% reported that it could help them somewhat. This response reflects that respondents understand the value of training in enhancing skills that are necessary for business growth. Further, despite increasing trend toward digital solutions, small percentage of the respondents (22.22%) are eager to learn about digital tools of record keeping. In contrast, 77.78% of the respondents are not interested in learning digital tools. This lack of interest may be due to unfamiliarity with digital tools. Designing user friendly and simple digital tool could significantly help in building confidence in using technology for record keeping. In addition, major challenges pointed out by respondents regarding financial management are, business record keeping (22.22%), saving and investment (22.22%) and borrowing and saving (16.67%). Further 94.44%

respondents consider training and financial education as preferred financial support to enhance business efficiency.

Table 6: The Dimensions of Training Need and Expectations

Items	Measures	Frequency	Percent age
Interested Training Topic	Budgeting	3	16.67%
	Saving	1	5.56%
	Credit Management	10	55.56%
	Budgeting & Record Keeping	3	16.67%
	Saving & Record Keeping	1	5.56%
Belief in Benefits of Training	Yes Greatly	15	83.33%
	Somewhat	3	16.67%
Interest in Digital Financial Tools	Yes	4	22.22%
	No	14	77.78%
Challenges in Financial Management	Borrowing and Saving	3	16.67%
	Business Record Keeping	4	22.22%
	Inventory tracking and Management	1	5.56%
	Investment for expansion of Business	3	16.67%
	Saving and Investment	4	22.22%
	Tracking Inventory	3	16.67%
Training in Record Keeping	Yes	1	5.56%
	No	17	94.44%
Preferred Financial Support	Training and Financial Education	17	94.44%
	Credit access and Bookkeeping Tool	1	5.56%

Cross Tabulation

Financial Awareness, Knowledge, and Bookkeeping Practices across Age Groups

The survey also investigated how financial literacy and business record keeping practices vary among different age group. As per results presented in table 7 below, understanding and comfort level with financial concept differs notably across age groups. For example 33.33% entrepreneurs between 30-39 age reported that they are “somewhat comfortable” with financial concepts. Only 11.11% of the respondents in 20-29 and 40-49 age range also reported “somewhat comfortable” with financial concepts. On contrary, 22.22% entrepreneurs in 20-29 age reported that they are not “comfortable” with financial concepts. The findings are reflecting that younger entrepreneurs have low level of financial literacy.

Online ISSN

3007-3197

Print ISSN

3007-3189

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Regarding awareness of investment options, 16.67% of respondents between 30-39 ages were aware of investment options. In contrast, 11.11% of respondents between age 20-29 and 40-49 were aware about such options. The finding depicts low awareness of investment options among young women entrepreneurs. Similarly, awareness regarding credit source was also low among 20 to 29 age group respondents (5.56%). In comparison, credit awareness was higher among 30 to 39 aged respondents (16.67%). These finding suggests that targeted training regarding investment options and credit source could significantly enhance their business growth.

As far as record keeping practices are concerned, 38.89% of the respondents between 30 to 39 aged are keeping business records. Followed by the 20 to 29 age range with 33.33% and 16.67% between 40 to 49 age range. Notably, respondents between 20 to 29 years old demonstrated better consistency in record keeping. Furthermore, result reveals that planning for business expenses also varies across age groups. 22.22% of the respondents aged 20 to 29 reported that they sometimes plan ahead their expenses. On the other hand, 11.11% of the respondents from other groups did so regularly.

The result reveals that usage of financial product is low among 30 to 39 years old respondents (27.78%) followed by 20 to 29 years old entrepreneurs, with 22.22% not using any service. 11.12% of respondents between aged 20 to 29 are using internet banking and easypaisa whereas, none of the respondents have saving account between this age bracket. On contrary, 11.11% of respondents between 30 to 39 years old reported that they are using saving accounts.

Table 7: Financial Awareness, Knowledge and Bookkeeping Practices across Age group

Age	Understanding of Financial Concepts	
	Somewhat Comfortable	Not Comfortable
20–29	11.11%	22.22%
30–39	33.33%	11.11%
40–49	11.11%	11.11%
Age	Knowledge of Investment Options	
	Yes	No
20–29	11.11%	22.22%
30–39	16.67%	27.78%
40–49	11.11%	11.11%
Age	Awareness of Credit Sources	
	Yes	No
20–29	5.56%	27.78%
30–39	16.67%	27.78%
40–49	11.11%	11.11%
Age	Keeps Business Records Daily	
	Yes	No

Online ISSN

3007-3197

Print ISSN

3007-3189

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	Yes	No
20–29	33.33%	0.00%
30–39	38.89%	5.56%
40–49	16.67%	5.56%
Age	Plans for Business Expenses	
	Yes	No
	Always	Sometimes
20–29	0.00%	22.22%
30–39	5.56%	22.22%
40–49	0.00%	16.67%
Age	Financial Product and Services Usage	
	Internet Banking	Saving Account
	Easy Paisa	None
20–29	5.56%	5.56%
30–39	0.00%	11.11%
40–49	0.00%	16.67%

Financial Literacy and Record-Keeping Practices by Educational Background

The study also analyzed how financial literacy and record keeping practices varies based on educational backgrounds of the respondents. As depicted in Table 8 below, higher education leads to better understanding of financial concepts and record keeping. 27.78% Bachelors degree holders and 16.67% Master's degree holder described that they are somewhat comfortable with financial concepts. On the other hand, participants with low education background admitted less confidence and discomfort. The result reveals that education contributes to better understanding of financial concepts. This finding suggests the need of targeted training for entrepreneurs with low educational background.

Similarly, respondent with higher education (Bachelor's/Honors (16.67%) and Master's degrees (16.67%)) reported that they are aware about investment options. This awareness decreases with low level of education. The finding suggests the need of awareness program regarding investment options for less educated entrepreneurs. In the same way, entrepreneurs with higher education described strong understanding of credit sources Bachelor's/Honors (16.67%) and Master's degrees (16.67%), whereas little or no awareness reported by low qualification respondents. The results depicts that entrepreneurs with higher education have greater chance to access credit. This finding suggests tailored training to low qualification entrepreneurs to improve their skills required to secure funding.

Respondents with higher education, about 27.78% of Bachelor's/Honors graduates and 16.67% of Master's degree holders reported that they maintain regular record. This ratio is low (5.56%) among low qualification women entrepreneurs. The result reveals the importance of education in record keeping. This finding suggests the need of localized training on record keeping. Results also depicted the connection between education level and expense planning. Further, survey results depicted that respondents with

higher education were more engaged in usage of financial product compared to those having low qualification. The finding reflects the gap in understanding and usage of financial services. Targeted training can increase integration of women entrepreneurs with financial services. Finally it is also observed that there is high demand for financial education and training across all education groups. This finding suggests the need to design training to increase financial literacy and proper record keeping.

Table 8: Financial Awareness, Knowledge and Bookkeeping Practices by Educational Background

Educational Background	Understanding of Financial Concepts	
	Somewhat comfortable	Not Comfortable
Primary Education	0.00%	5.56%
Middle Education	0.00%	5.56%
Metric	11.11%	16.67%
Intermediate	0.00%	16.67%
Bachelors/Hons.	27.78%	0.00%
Masters (MA)	16.67%	0.00%
Educational Background	Knowledge of Investment Option	
	Yes	No
Primary Education	0.00%	5.56%
Middle Education	0.00%	5.56%
Metric	0.00%	27.78%
Intermediate	5.56%	11.11%
Bachelors/Hons	16.67%	11.11%
Masters (MA)	16.67%	0.00%
Educational Background	Awareness of Credit Sources	
	Yes	No
Primary Education	0.00%	5.56%
Middle Education	0.00%	5.56%
Metric	0.00%	27.78%
Intermediate	0.00%	16.67%
Bachelors/Hons	16.67%	11.11%
Masters (MA)	16.67%	0.00%
Educational Background	Keeps Business Record Daily	
	Yes	No
Primary Education	5.56%	0.00%
Middle Education	5.56%	0.00%

Online ISSN

3007-3197

Print ISSN

3007-3189

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Metric	16.67%	11.11%		
Intermediate	16.67%	0.00%		
Bachelors/Hons	27.78%	0.00%		
Masters (MA)	16.67%	0.00%		
Educational Background	Plans for Business Expenses			
	Yes Always	Sometimes	No	
Primary Education	0.00%	0.00%	5.56%	
Middle Education	0.00%	5.56%	0.00%	
Metric	0.00%	11.11%	16.67%	
Intermediate	0.00%	5.56%	11.11%	
Bachelors/Hons	5.56%	22.22%	0.00%	
Masters (MA)	0.00%	16.67%	0.00%	
Educational Background	Usage of Financial Product and Services			
	Internet Banking	Easy Paisa	Saving Account	None
Primary Education	0.00%	0.00%	0.00%	5.56%
Middle Education	0.00%	0.00%	0.00%	5.56%
Metric	0.00%	0.00%	11.11%	16.67%
Intermediate	0.00%	5.56%	0.00%	11.11%
Bachelors/Hons	5.56%	5.56%	11.11%	5.56%
Masters (MA)	0.00%	0.00%	5.56%	11.11%
Educational Background	Preferred Financial Support			
	Training & Education		Access to Credit & Enhanced Bookkeeping Tool	
Primary Education	5.56%	0.00%		
Middle Education	5.56%	0.00%		
Metric	22.22%	5.56%		
Intermediate	16.67%	0.00%		
Bachelors/Hons	27.78%	0.00%		
Masters (MA)	16.67%	0.00%		
Educational Background	Benefits of Financial Literacy & Business Record Keeping Training			
	Yes Greatly	Somewhat		
Primary Education	0.00%	5.56%		
Middle Education	5.56%	0.00%		
Metric	22.22%	5.56%		
Intermediate	16.67%	0.00%		
Bachelors/Hons	22.22%	5.56%		
Masters (MA)	16.67%	0.00%		

Financial Awareness, Knowledge, and Bookkeeping Practices by Years in Business

The study also determined the relationship between length of business and financial literacy and book keeping practices. Table 9 below shows that respondents with less than a year of business are less confident with financial concepts. 27.78% reported they were “not comfortable,” while 33.33% reported “somewhat comfortable.” On the other hand, women with more than seven years in business reported high level of comfort with financial concepts. The results revealed that length of business play significant role in enhancing financial literacy. Further suggests need of financial literacy training for those who are in the introduction stage of their business.

Awareness regarding investment options was high among women with one to four years of experience (5.56%) and 5.56% for more than seven years. By comparison, those with less than a year of experience showed the lowest levels of awareness. This finding reflects the need of financial education and suggesting tailored training regarding investment principles and options earlier in an entrepreneur’s journey.

Awareness regarding available credit sources was generally low across all groups. But this awareness was to some extent better among those with more than seven years in business (5.56%). Whereas, 38.89% of respondents with less than a year in business reported that they are not familiar with credit options and sources. This result reflects that entrepreneurs with less than a year in business have less exposure of credit sources and financing opportunities.

Regarding business record keeping, 55.56% of respondents with less than a year in business reported that they are keeping record and 5.56% are not keeping record. While 16.67% are keeping record and 5.56% are not maintaining record in 1 to 4 years range of businesses. On the other side, only 5.56% of those in the 4 to 7 year range did the same.

Regarding expense planning, 27.78% of those who have been in business for less than a year reported that they plan “sometimes”. While another 27.78% admitted they don’t plan at all. Further respondents with 4 to 7 years of experience had the lowest rates of consistent expense planning. This variation in expense planning across various experience levels depicts a need of structured training in expense planning and forecasting.

Particularly, those with less than a year in business were the most optimistic about the potential benefits of training. 50.00% of the respondents in this range are considering it valuable to enhance their operations. Similarly, 22.22% entrepreneurs with 1-4 years of experience also recognize the value of the training in improving business efficiency.

Table 9: Financial Awareness, Knowledge and Bookkeeping Practices by Years in Business

Years In Business	Understanding of Financial Concepts	
	Somewhat comfortable	Not Comfortable
Less than 1 year	33.33%	27.78%
1-4 Years	11.11%	11.11%

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3007-3197

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4-7 Years	0.00%	5.56%
More than 7 Years	11.11%	0.00%
Years in Business	Knowledge of Investment Options	
	Yes	No
Less than 1 year	27.78%	33.33%
1-4 Years	5.56%	16.67%
4-7 Years	0.00%	5.56%
More than 7 Years	5.56%	5.56%
Years in Business	Awareness of Credit Sources	
	Yes	No
Less than 1 year	22.22%	38.89%
1-4 Years	5.56%	16.67%
4-7 Years	0.00%	5.56%
More than 7 Years	5.56%	5.56%
Years in Business	Keeps Business Record Daily	
	Yes	No
Less than 1 year	55.56%	5.56%
1-4 Years	16.67%	5.56%
4-7 Years	5.56%	0.00%
More than 7 Years	11.11%	0.00%
Years in Business	Plans for Business Expenses	
	Yes	
	Always	Sometimes
Less than 1 year	5.56%	27.78%
1-4 Years	0.00%	16.67%
4-7 Years	0.00%	5.56%
More than 7 Years	0.00%	11.11%
Years in Business	Belief in Benefit of Training	
	Yes Greatly	Somewhat
Less than 1 year	50.00%	11.11%
1-4 Years	22.22%	0.00%
4-7 Years	0.00%	5.56%
More than 7 Years	11.11%	0.00%

Relationship between Understanding of Financial Concepts and Business Record-Keeping

The study also analyzed the relationship between understanding of financial concepts and business record keeping. Results in table 10 below depicts that 50.00% of respondents among those who felt somewhat comfortable with financial concepts are keeping business records whereas, 5.56% are not keeping records at all. This finding indicates direct relationship between financial literacy and business record keeping. On

Online ISSN

3007-3197

Print ISSN

3007-3189

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the other hand, 38.89% of respondents who are not comfortable with financial concepts are still maintaining business records and 5.56% does not. The rate of record keeping among this group is low. However, the finding reveals that entrepreneurs with limited financial knowledge are also recognizing the importance of keeping business records. Furthermore the finding suggests that enhancing financial literacy could promote business record keeping.

Table 10: Relation between Understanding of Financial Concepts and Business Record Keeping

Understanding of Financial Concepts	Keeps Business Record Daily	
	Yes	No
Somewhat comfortable	50.00%	5.56%
Not Comfortable	38.89%	5.56%
Grand Total	88.89%	11.11%

Group Average Score for Each Section of the Survey

The study also investigated participant's financial knowledge and practices across different areas. Group average score were calculated for each section. The purpose was to determine strengths and gaps. Table 11 below presents group scores.

Financial Literacy/Awareness and Practices

Average group score for financial awareness and literacy out of possible 13 points was 4.39. This result reveals that understanding of fundamental financial concept is low among participants. The finding suggests need of basic training to financially literate women entrepreneurs. To build their capacity to make effective financial decision the training should cover basic concept of financial management.

Business Record-Keeping

Out of possible 16 points the group average score for business record keeping was 4.72. The result reflects that there is significant gap in accurate record keeping. The finding suggests that there is need to design tailored training. Such a kind of training is necessary to enhance their record keeping practices. So that they will be able to make well informed financial decisions based on accurate and proper records

Financial Decision-Making and Planning

When average group score for financial planning and decision making was calculated, it was 2.17 out of possible 8 points. This result is indicating that majority of the respondents are lacking structured method for financial management. In this regard training related to expense forecasting, financial planning and cash flow analysis could enhance their ability to make financial choices.

Financial Services and Support

Online ISSN

3007-3197

Print ISSN

3007-3189

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When average score was calculated regarding financial support and services, it was only 2.11 out of total 13 points. The result depicts very low level of financial inclusion. This finding suggests that the structural and socio cultural barriers need to be addresses that are limit their inclusion. In this regard female specific products and services, awareness campaigns and targeted training can play active role in enhancing financial literacy.

Training Needs and Expectations

The group average score for training needs and expectations turned out 2.13 out of total 8 points. The result reflects that the respondents are recognizing the need of training for business growth. The result suggests training on financial literacy and business record keeping. The training will be helpful in developing skills and confidence among women entrepreneurs that are needed to run business effectively.

Table 11: Group Average Score for each Section of Survey

Components / Sections	Group Score	Average	Maximum Score	Possible
Financial Literacy/Awareness and Practices	4.39	13		
Business Record-Keeping	4.72	16		
Financial Decision-Making and Planning	2.17	8		
Financial Services and Support	2.11	13		
Training Needs and Expectations	2.13	8		

Conclusion and Recommendations

Conclusion

This paper made an effort to determine current level of financial literacy and state of business record keeping of women business owner in Chitral. The paper also identified challenges that restraints their ability to manage finances effectively. It is found that respondents' financial literacy level were low. Most of the respondents had difficulty with basic concepts like financial planning and budgeting. The study also observed limited awareness about credit options, investment options and financial services. While most of the respondents keep records but their record keeping practices are limited to accounts receivable and payables.

The findings of the study are aligned with previous research emphasizing the critical nexus between record keeping, financial literacy and business performance (Bruhn & Zia, 2011, Drexler et al., 2014). By providing evidence from backward and under researched area, this study suggests targeted and integrated programs to enhance proper record keeping financial education.

Recommendations

The study proposes following recommendations based on the results of the study to reduce gap and enhance financial literacy, inclusion and record keeping among women entrepreneurs.

Online ISSN

3007-3197

Print ISSN

3007-3189

<http://amresearchreview.com/index.php/Journal/about>

Development practitioners and policymakers needs to design and launch financial literacy programs to meet the need of local women entrepreneurs.

Stakeholders should design tailored training and workshops on record keeping of financial transactions.

Financial institutions particularly banks should design female specific product.

Financial institutions and policy makers should work in close liaison for removing structural barriers to increase financial inclusions.

Financial institutions should play active role in awareness rising regarding available financial product and services through outreach programs and campaigns.

Mentorship and developing peer networks can encourage shared learning and experience that are necessary for business growth.

Community leaders and policy makers should initiate awareness campaigns for highlighting the importance of women's participation in economic activities.

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