Annotated Bibliography

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Ang, S. J. (2017). Small Business Uniqueness and the Theory of Financial Management. *Journal of Small Business Finance*, 1-13.

Financial management problems faced by small businesses are different from those faced by large businesses. There is no specific definition of a business to be deemed as small. The term may be misconceived because certain firms that fall in the lower quartiles of certain databases are considered to be small. A small business will not have any securities traded on organized exchanges. These securities include both debt and equity-based securities. The owners must have undiversified personal portfolios which means that business investment will constitute a big portion of their total investment. Assets held by small businesses are more specific in terms of geographical area, products and customers as compared to large businesses. Owners have unlimited liability which will mean that whole loss will be compensated by selling the personal assets of owners. The start-up for small business is riskier as compared to large businesses. Starters are willing to take higher risks to generate higher returns from their businesses which is a completely different approach as compared to the managers of large businesses.

Holtz-Eakin, D. (2017). SHOULD SMALL BUSINESSES BE TAX-FAVORED? *National Tax Journal*, 387-395.

Many people support the special treatment of small businesses in terms of preferential tax treatment for these businesses. Standard methods of supporting large businesses will not work for small businesses. Current tax- bases subsidies are not supported by the equity and financing subsidies. There is a need for a proper model for the formation of small businesses and to calculate their contribution in the economy as a whole. This model will help us to know the benefits of formation of small businesses for the economy as a whole. The parameters have to be defined which will play crucial role in developing small businesses and resolving the issues regarding policy making.

Tan, L. M., & Braithwaite, V. (2018). Motivations for Tax Compliance: The Case of Small Business Taxpayers in New Zealand. *Australian Tax Forum*.

There are different factors affecting the small business owners based on taxation including psychological and social dispositions. Study shows the small business taxpayers can take more than one stance towards taxpaying. Cooperation and defiance can be observed at different times from small business owners regarding taxation matters. The stance taken by them depends on circumstances under which discuss is carried out. Tax collection authorities should be trustworthy and fair to close the perceptual distance between businessmen and authorities. Defiance shows that businessmen do not like the way an authority carries out its duties and it can be reduced by treating businesses fairly and improving tax knowledge. When businessmen start to question the existence of some authority, this grievance cannot be managed easily.

Olsen, J., Kasper, M., Enachescu, J., benk, S., Budak, T., & Kirchler, E. (2018). Emotions and tax compliance among small business owners: An experimental Survey. *International Review of Law and Economics*.

The power of tax authorities to make sure that people adhere to developed policies and people’s trust in tax collection agencies shape the behavior of taxpayers whether compliance or defiance. Financial decisions involve certain level of emotional response but little is known about relation between taxpayer emotions and their behavior towards tax payment. The study tested whether emotions affected the relationship between perception of tax authorities and behavior of tax payers. Results suggested that higher power induces negative emotions from taxpayers in the form of tax evasion. Trust generates positive emotions in the taxpayers.

he, W., Wang, F.-K., Chen, Y., & Zha, S. (2017). An exploratory investigation of social media adoption by small businesses. *Information Technology Management*, 149-160.

Social media has transformed into an online platform for business to advertise their product and services and to manage relationships with their customers. There has been an increase in the number of small businesses adopting social media but there is not much research available on the factors affecting decision of adopting social media by small businesses. In order to explore these factors, 27 small businesses were interviewed and a model was developed which included critical factors affecting success for small businesses on social media.

Odoom, R., Anning-Dorson, T., & Acheampong, G. (2017). Antecedents of Social Media Usage and Performance Benefits in Small and Medium-sized Enterprises. *Journal of Enterprise Information Management*.

There is not enough research on the effects and implications of social media adoption by small businesses. This study used interactivity, compatibility and cost effectiveness as motivations to using social media which will improve business performance. 210 enterprises were used to find out that usage of social media have a positive effect on small businesses and interactivity is the key motivation for them to use social media for their businesses. Facebook usage was more beneficial as compared to usage of twitter in terms of business benefits.

Benitez, J., Castillo, A., Llorens, J., & Braojos, J. (2018). IT-enabled knowledge ambidexterity and innovation performance in small U.S. firms: The moderator role of social media capability. *Information and Management*, 131-143.

A sample of 100 small US firms was taken to analyze the impact of IT enabled knowledge ambidexterity on performance in terms of innovation. Findings suggest that strong IT infrastructure allows businesses to explore new knowledge to innovate more and in a better way. Capability of business to work properly on social media plays a moderating role in this equation. IT infrastructure and social media capabilities work together to allow knowledge ambidexterity.

Ahmad, S. Z., Ahmed, N., & Bakar, A. R. (2018). Reflections of Entrepreneurs of Small and Medium-sized Enterprises concerning the Adoption of Social Media and its Impact on Performance Outcomes: Evidence from the UAE . *Telematics and Informatics*.

Most studies undertaken on adoption of social media among individuals and businesses are undertaken in the developed economies. In this study, SMEs in the middle east region have been explored to see the impact of social media adoption in small businesses. There is a positive impact on performance of small business after the adoption of social media.

Ali, H., Omar, E. N., Nasir, H. A., & Osman, M. R. (2017). Financial Literacy of Entrepreneurs in the Small and Medium Enterprises. *Advances in Business Research International conference* (pp. 31-38). Springer.

Any small and medium enterprise has to be managed by an owner having appropriate financial literacy to manage financial matters. This includes purchasing, allocating and providing appropriate resources to the departments and having knowledge of how the business is performing in terms of accounting, costing and budgeting. Financially literate entrepreneurs are able to survive in the market for a longer period of time as compared to illiterate entrepreneurs. This study has concluded that entrepreneurs must have the accounting knowledge and budget control knowledge is the most essential in this regard.

Afrifa, G., & I.Tingbani. (2017). Working Capital Management, Cash Flow and SMEs’ Performance . *International Journal of Banking,Accounting and Finance*.

This study shows that there is a positive relationship between working capital management and SME’s performance by considering the effect of cash flow. Panel data regression analysis has been used to analyze 802 British small and medium enterprises from 2004 to 2013. Results show that cash flows are very important while assessing the performance of the SME’s. Working capital management has a negative effect on SME performance but cash flows have a significantly positive relationship.

Martinez-Sola, C., Garcia-Teruel, P. J., & Martinez-Solano, P. (2018). Cash holdings in SMEs: speed of adjustment, growth and financing. *Small Business Economics*, 823-842.

This study discusses the effect of growth opportunities, financial barriers and financial problems on small and medium enterprises. A sample of Spanish small firms have been used for analysis from 1998 to 2012. Results show that there is a target level of cash holdings to which firms try to converge. Firms having higher growth opportunities adjust rapidly to their target cash holdings and are able to take advantage of profitable investment opportunities. A faster cash adjustment has been observed for all firms in time of financial distress.

N.Wadesango, N.Tinarwo, L.Sitcha, & Machingambi, S. (2019). THE IMPACT OF CASH FLOW MANAGEMENT ON THE PROFITABILITY AND SUSTAINABILITY OF SMALL TO MEDIUM SIZED ENTERPRISES. *International Journal of Entrepreneurship*.

Small and medium enterprises are important to any country because they provide certain level of jobs. These SME’s should implement sound policies regarding their cash management to have success. Most cash management techniques are found to be affecting profitability and sustainability of these businesses and if they do not apply effective cash management techniques, they will fail.

# **References**

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Odoom, R., Anning-Dorson, T., & Acheampong, G. (2017). Antecedents of Social Media Usage and Performance Benefits in Small and Medium-sized Enterprises. *Journal of Enterprise Information Management*.

Olsen, J., Kasper, M., Enachescu, J., benk, S., Budak, T., & Kirchler, E. (2018). Emotions and tax compliance among small business owners: An experimental Survey. *International Review of Law and Economics*.

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