

**ENTREPRENEURS' PERCEPTIONS ON THE
IMPORTANCE OF PROPER ACCOUNTING
SYSTEM TO BUSINESS**

(A Study on Malay Entrepreneurs Involving
in Small Businesses in Kuala Terengganu)

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ABSTRACT

Many research had found out that some small business entrepreneurs do not think accounting as important to their businesses and thus, no proper accounting system was adopted. Unfortunately, this has contributed, to a large extend, towards a business failure. The significant of this scenario cannot be ignored because small business entrepreneurs are the backbone of most advanced and developed nations' national economy, including Malaysia. Despite of a tremendous effort by the government to help entrepreneurs financially as well as non-financially, there has been little research on entrepreneurs-accounting related matters.

This paper seeks to examine how the Malay entrepreneurs involving in small businesses in Kuala Terengganu perceived the importance of proper accounting system towards their businesses. The study was conducted by distributing fifty questionnaires to entrepreneurs in the selected area.

The results of analysis indicated that different types of businesses do differ in their perception towards the importance of proper accounting system. While it is found that, in general, entrepreneurs do not perceive proper accounting system as important to their businesses, they are aware of the benefits of preparing and maintaining accounting records and reports.

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