

**FACTORS INFLUENCING INVESTMENT OF FUNDS:**

**A Survey of selected Savings and Credit Cooperatives in Nyeri Central District**

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## ABSTRACT

Savings and Credit Cooperatives aim at mobilizing their members and the community to improve their life. SACCOs like other firms are involved in the commitment of scarce resources to try to allocate them in a way that offers benefits to shareholders. Further, if the shareholders wealth is maximized by good investment decisions, they will tend to invest more in the company. If the investment decisions are consistently poor, the shareholders will withdraw their contributions and seek more profitable investment opportunities elsewhere. SACCOs are voluntary associations to which members contribute regularly pooled savings. They should therefore invest wisely the available funds. The objective of this study was to investigate the factors that influence how SACCOs invest funds in Kenya. The study was conducted through a survey on the SACCOs in Nyeri central District. The literature reviewed included theoretical and empirical literature. The research design employed was survey which enabled the researcher to understand relationships. The target population is 15 SACCOs registered as per the Nyeri town council. The administration of the SACCOs consists of a five member committee. The sample selected comprised of six SACCOs with a composition of thirty respondents. Data was collected via questionnaires which were prepared in accordance with the objective of the study. A pre-test with a small representative sample of a few respondents was carried out in Mukurwe-in Town. The data was analyzed using descriptive statistics and Pearson correlation with the help of output from SPSS. Data is presented in tables, charts as well as graphs. The researcher issued all the 30 intended questionnaires and received all of them back. The findings of the study reveal that most of the parameters chosen were good measures of the independent variables. However some were poor measures because they revealed very weak correlations. The findings further revealed that all the four factors in the study were very strongly correlated with the investment of SACCO funds. From the findings of the study, the researcher was able to test the hypothesis using the p- value.