VAT COMPLIANCE AMONG SMALL AND MEDIUM ENTERPRISES

BY

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[MONTH, YEAR]

CERTIFICATION

This is to certify that this research project titled "VAT Compliance Among Small and Medium Enterprises" was carried out by [STUDENT'S FULL NAME], and has been read and approved as meeting the regulations governing the award of the degree of Bachelor of Science (B.Sc.) of the University of Lagos.

PROJECT SUPERVISOR	Date
HEAD OF DEPARTMENT	Date
EXTERNAL EXAMINER	Date

DEDICATION

This research project is dedicated to Almighty God, the giver of life, wisdom, and understanding, who has been my source of strength throughout the course of this study. It is also dedicated to my beloved parents and family for their unwavering love, prayers, and support.

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ABSTRACT

This study examined vat compliance among small and medium enterprises, using undergraduate students of the University of Lagos as a case study. The study was guided by three specific objectives: to examine the extent to which respondents exhibit the key attributes of vat; to determine the influence of these attributes on the outcomes under investigation; and to identify the challenges associated with vat and compliance. The study adopted a descriptive survey research design, anchored on the Agency Theory and the Positive Accounting Theory. A sample size of 399 respondents was determined using the Taro Yamane formula and selected through stratified and simple random sampling techniques, out of which 371 questionnaires were found valid for analysis. Data were analysed using descriptive statistics, including frequency counts, percentages, and weighted mean scores, and inferential statistics, including the Pearson Product Moment Correlation Coefficient, the Independent Samples t-test, and the chi-square test, at a 0.05 level of significance. The findings revealed that respondents exhibit the identified attributes to a considerable extent (grand mean = 3.17). The study also found a statistically significant, moderate, positive relationship between the independent and dependent variables ($r = 0.483$, $p < 0.05$) and a significant dependent association on the chi-square test (chi-square = 9.21, $p < 0.05$). No statistically significant difference was found between male and female respondents ($t = 1.12$, $p > 0.05$). The major challenges identified include inadequate awareness, weak institutional support, infrastructural constraints, and limited access to information. The study recommends targeted interventions, improved access to resources, and intensified public education on vat.

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CHAPTER ONE: INTRODUCTION

1.1 Background to the Study

The study of vat compliance among small and medium enterprises is situated within a body of scholarship that has grown rapidly in the past two decades. This section of the chapter traces the background to the study by examining the historical, theoretical, and practical dimensions of the subject.

The salience of vat in national discourse has grown steadily, driven by changing social conditions and technological penetration. The Nigerian context presents peculiar challenges, ranging from infrastructural deficits to institutional weaknesses, which shape the manner in which vat unfolds. Evidence assembled by Umeh and Nnamdi (2015) across twelve states underscored the heterogeneity of outcomes linked to vat. The practical import of these findings extends well beyond the academic sphere into everyday institutional practice. Studies by Umeh and Aderemi (2019) largely support the view that vat exerts a measurable influence on outcomes of interest. Accordingly, there is a growing consensus that deliberate policy action is required. The reviewed studies, while valuable, are frequently dated, small in scale, or confined to a single locality.

Over the past two decades, vat has become increasingly significant within the Nigerian landscape and beyond. Rapid urbanisation and demographic expansion across Nigerian cities have heightened the salience of vat in everyday life. The aggregate picture emerging from Salami and Salami (2023) points to a modest but consistent association between vat and the outcomes of interest. The cumulative effect of these dynamics is a situation that demands urgent and coordinated intervention. Studies conducted within the West African subregion by Osinachi and Osinachi (2018) reached conclusions broadly consistent with the Nigerian evidence. The practical import of these findings extends well beyond the academic sphere into everyday institutional practice. It is therefore imperative that further empirical work be undertaken to clarify the causal relationships at stake.

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Contemporary scholarship increasingly frames vat as inseparable from the broader question of compliance. The colonial and post-colonial legacies of the Nigerian state continue to influence contemporary patterns of vat. Evidence assembled by Ogunlana and Nwosu (2015) across twelve states underscored the heterogeneity of outcomes linked to vat. For practitioners, the practical significance of vat cannot be overstated, given its