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Accounting and Financial Management for Start-ups, Innovation and Entrepreneurship: An Empirical Framework for Sustainable Growth in India

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ABSTRACT

This study examines the relationship between accounting practices, financial management, access to finance, innovation capability and entrepreneurial performance among start-ups in India. The study is based on primary survey data collected from 150 respondents comprising start-up founders, co-founders, entrepreneurs, partners and business or finance managers. A structured questionnaire using a five-point Likert scale was used to collect the data, and the analysis employs descriptive statistics, Pearson correlation, multiple regression and one-way ANOVA. The results indicate that accounting practices, financial management, access to finance and innovation capability are each positively and significantly correlated with entrepreneurial performance. The multiple regression model is statistically significant, $F(4, 145) = 21.039, p < .001$, and explains 36.7 per cent of the variation in entrepreneurial performance ($R^2 = 0.367$). Within the model, however, only innovation capability ($Beta = 0.363, p < .001$) and access to finance ($Beta = 0.179, p = .029$) make statistically significant independent contributions; the coefficients for accounting practices ($p = .327$) and financial management ($p = .089$) are positive but not significant. A one-way ANOVA further indicates that entrepreneurial performance does not differ significantly across start-ups of different ages, $F(3, 146) = 0.404, p = .750$. The study argues that accounting and financial management should not be viewed merely as compliance functions: they support financial planning, resource allocation, risk management and business decision-making, and the results suggest that much of their association with performance operates through the financing and innovation capacity they help to build. The study concludes that an integrated approach combining accounting, financial management, access to finance and innovation capability offers a more useful basis for understanding entrepreneurial performance among Indian start-ups than any of these dimensions considered on its own.

Keywords: Start-ups, Accounting Practices, Financial Management, Innovation, Entrepreneurship, Financial Access, India

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I. INTRODUCTION

The growth of start-ups has become one of the most visible developments in the modern business environment. Across the world, entrepreneurs are creating new products, services and business models that challenge traditional ways of doing business. India has also developed a dynamic start-up ecosystem supported by technological change, digital infrastructure, increasing consumer demand and a growing culture of entrepreneurship, reinforced by policy initiatives such as the Startup India programme (Department for Promotion of Industry and Internal Trade, 2016).

The start-up sector has the potential to contribute significantly to employment generation, innovation and economic development, in an economy where micro, small and medium enterprises already account for a substantial share of output and employment (Ministry of Micro, Small and Medium Enterprises, 2024). However, starting a business and sustaining it over the long term are two different challenges. A promising idea may attract initial attention, but the survival of an enterprise often depends on how effectively the entrepreneur manages financial resources, controls costs, maintains liquidity and responds to changing market conditions.

One of the common difficulties faced by young businesses is the absence of systematic financial planning. Entrepreneurs may concentrate heavily on product development, marketing and customer acquisition while giving relatively less attention to accounting and financial management. In the early stages of a business, this can create problems related to cash flow, budgeting, working capital and taxation.

Accounting plays a much broader role than simply recording financial transactions. Proper accounting records help entrepreneurs understand where the business stands financially. They provide information about revenue, expenditure, profitability, assets, liabilities and cash flows. When this information is available on time, entrepreneurs can make better decisions about pricing, investment, cost control and expansion.

Financial management is closely connected with accounting. Accounting generates financial information, while financial management uses that information to plan and allocate resources. For a start-up operating with limited capital, efficient financial management can make a significant difference. Decisions regarding working capital, external finance, investment and financial risk can directly influence the future of the enterprise.

Innovation adds another important dimension to the discussion. Start-ups often compete through innovation. They may introduce new products, adopt digital technologies, develop new

processes or create innovative business models. However, innovation requires resources. Research and development, technology adoption, product testing and market experimentation all involve financial commitments.

This creates an important relationship among accounting, finance and innovation. Good accounting provides reliable financial information. Effective financial management helps allocate available resources. Adequate access to finance provides additional resources for growth and innovation. Innovation, in turn, can strengthen competitiveness and entrepreneurial performance.

The present study therefore examines these dimensions together rather than treating them as separate issues.

II. CONCEPTUAL BACKGROUND

A. Accounting and Start-ups

Accounting is often considered one of the basic administrative functions of a business. For start-ups, however, its importance is much greater. A young business needs accurate information to understand its financial position and make informed decisions.

Regular accounting practices can help entrepreneurs:

- Monitor income and expenditure
- Track cash flows
- Prepare budgets
- Control operating costs
- Evaluate profitability
- Meet taxation requirements
- Prepare financial forecasts
- Communicate with investors and financial institutions

The adoption of digital accounting software has made accounting more accessible to small businesses. Cloud-based systems and integrated digital platforms can provide entrepreneurs with timely financial information without requiring a large internal accounting department. Simplified reporting frameworks also recognise that smaller entities need proportionate rather than full-scale reporting obligations (International Accounting Standards Board, 2015).

B. Financial Management and Entrepreneurial Performance

Financial management involves planning and controlling the use of financial resources. In a start-up environment, financial management includes decisions about financing, investment, working capital and risk. In the new-venture literature, the ability to marshal and manage resources under conditions of scarcity is treated as a defining entrepreneurial competence (Timmons & Spinelli, 2009).

A start-up may have strong sales but still experience financial difficulties if its cash flows are poorly managed. Similarly, rapid expansion without adequate financial planning can create liquidity problems.

Effective financial management can help entrepreneurs:

- Prepare cash-flow forecasts
- Manage working capital
- Control costs
- Evaluate investments
- Select appropriate financing sources
- Manage financial risks
- Plan future expansion

Financial management is therefore closely connected with entrepreneurial performance and business sustainability.

C. Access to Finance

Access to finance remains an important issue for start-ups. Entrepreneurs may use personal savings, family funds, bank loans, government support, angel investment, venture capital or alternative financing platforms. The mix a venture actually uses is shaped by its size, asset structure and growth orientation at the point of formation (Cassar, 2004).

Each source has its own advantages and limitations. While bootstrapping provides greater control, it may restrict the scale of expansion. Bank finance may require collateral and a strong credit history. Venture capital can provide substantial funding but may involve dilution of ownership. These trade-offs shift as an enterprise moves through its financial growth cycle, since informational opacity at the earliest stages narrows the range of instruments realistically available to it (Berger & Udell, 1998).

The availability of appropriate finance is particularly important for innovation-oriented start-ups, because innovation often requires significant investment before commercial returns are generated. The resulting financing gap is well documented: small and medium enterprises in emerging and developing economies face an unmet credit need running into trillions of dollars (World Bank, n.d.), and financing conditions for smaller firms across member economies deteriorated as inflation and interest rates rose (OECD, 2023).

D. Innovation Capability

Innovation capability refers to an enterprise's ability to develop and implement new ideas. It can involve product innovation, process innovation, digital innovation and business model innovation. Digital adoption has become a particularly visible channel of innovation for smaller firms (OECD, 2021).

For start-ups, innovation can provide:

- Competitive advantage
- New market opportunities
- Better customer experiences
- Higher productivity
- Improved business processes

However, innovation must be supported by financial resources and sound financial planning. At the ecosystem level, the capacity to support innovation also varies considerably across Indian states (NITI Aayog & Institute for Competitiveness, 2022).

III. REVIEW OF LITERATURE

The existing literature on entrepreneurship broadly recognises finance, innovation and managerial capability as important determinants of business performance. Since its consolidation as a distinct field, entrepreneurship research has been concerned with how opportunities are discovered, evaluated and exploited, and with the resources required at each of those stages (Shane & Venkataraman, 2000). Research on entrepreneurial finance has repeatedly highlighted the difficulty that young firms face in obtaining external capital. Start-ups generally have limited operating histories, uncertain cash flows and fewer tangible assets that can be offered as collateral.

Evidence from India points in the same direction. Among small Indian firms, access to finance ranks with tax rates, informal-sector competition and regulatory friction as one of the most frequently reported barriers to growth (Coad & Tamvada, 2012). Earlier work on the small

business sector also cautions that only a minority of small firms grow substantially, so measures aimed at growth need to be distinguished from general small-firm support (Storey, 1994). On the supply side, aggregate bank credit in India has expanded strongly in recent years, even though the terms on which young enterprises can reach it remain uneven (Reserve Bank of India, 2024).

Financial literacy is another important factor. Entrepreneurs who understand financial statements, cash flows, costs and financing alternatives are better positioned to make informed decisions. In this context, accounting knowledge becomes an entrepreneurial capability rather than merely an administrative skill.

Research on innovation also indicates that innovative firms require access to financial resources. Innovation involves uncertainty, and investors may therefore perceive innovative start-ups as relatively risky. This can create a financing gap precisely at the stage when enterprises need capital for research, development and market experimentation.

Digital transformation has further changed the accounting and finance environment. Cloud accounting, digital payments and financial technology platforms have made financial information more accessible. At the same time, entrepreneurs need appropriate knowledge to use these tools effectively.

Despite the growing body of research in these areas, accounting, finance and innovation are often examined independently. There is a need for a more integrated framework that considers how these factors interact within the entrepreneurial ecosystem.

A. Research Gap

The existing literature focuses primarily on individual dimensions such as:

- Access to finance and start-up survival
- Innovation and entrepreneurial performance
- Financial literacy and entrepreneurship
- Accounting practices and business performance

However, limited attention has been given to the combined relationship between accounting practices, financial management, access to finance and innovation capability in the context of Indian start-ups.

The present study therefore attempts to address this gap by proposing and testing an integrated empirical framework.

IV. OBJECTIVES OF THE STUDY

- To examine the role of accounting practices in the financial management of Indian start-ups.
- To analyse the relationship between financial management and entrepreneurial performance.
- To examine the influence of access to finance on innovation capability.
- To develop an integrated framework connecting accounting, finance and innovation.
- To suggest measures for strengthening the financial and innovation capabilities of Indian start-ups.

V. RESEARCH HYPOTHESES

- **H1:** Effective accounting practices have a significant positive influence on the financial performance of start-ups.
- **H2:** Access to adequate finance has a significant positive influence on innovation capability among start-ups.
- **H3:** Effective financial management practices have a significant positive influence on entrepreneurial performance.
- **H4:** Accounting practices, financial management, access to finance and innovation capability jointly contribute significantly to entrepreneurial performance.

VI. RESEARCH METHODOLOGY

The study follows a descriptive and analytical research design.

The population of the study consists of Indian start-ups and entrepreneurs. The sample for the primary survey consists of 150 respondents, comprising founders, entrepreneurs and proprietors, co-founders, partners and finance or business managers.

A structured questionnaire was developed covering five major constructs:

- Accounting Practices (AP)
- Financial Management (FM)
- Access to Finance (AF)
- Innovation Capability (IC)
- Entrepreneurial Performance (EP)

The questionnaire uses a five-point Likert scale ranging from 1 = Strongly Disagree to 5 = Strongly Agree. Each construct is measured by a battery of items, and the construct score used in the analysis is the respondent-level mean of the items in that battery. Entrepreneurial Performance, for example, is the mean of items EP1 to EP10. The same construct scores are used throughout the descriptive, correlation, regression and ANOVA analyses reported below.

The statistical tools used include:

- Frequency and percentage analysis
- Mean and standard deviation
- Pearson correlation
- Multiple regression
- One-way ANOVA

VII. DATA ANALYSIS AND INTERPRETATION

A. Demographic Profile of Respondents

Category	Frequency	Percentage
Founder	68	45.33
Entrepreneur / Proprietor	32	21.33
Co-founder	25	16.67
Partner	15	10.00
Finance / Business Manager	10	6.67
Total	150	100.00

Table 1: Distribution of respondents by role in the start-up

Table 1 presents the distribution of respondents according to their role in the start-up. The respondents include founders, entrepreneurs and proprietors, co-founders, partners and finance or business managers. The presence of respondents in different decision-making roles provides a broader understanding of accounting, financial management and innovation practices within start-ups.

Since founders and entrepreneurs are directly involved in important business decisions, their responses are particularly useful for understanding how financial and accounting practices are applied in day-to-day business operations.

B. Age of Start-ups

Start-up Age	Frequency	Percentage
Less than 2 years	55	36.67

Start-up Age	Frequency	Percentage
2 to 5 years	50	33.33
6 to 10 years	30	20.00
More than 10 years	15	10.00
Total	150	100.00

Table 2: Distribution of the surveyed start-ups by age

Table 2 shows the distribution of the 150 respondents according to the age of their start-ups. The respondents represent different stages of business development, including newly established as well as relatively mature start-ups.

This variation is useful because financial requirements, accounting practices and innovation needs may change as a start-up moves from the early stage to a more established stage. The inclusion of different age groups therefore provides a reasonable basis for examining whether entrepreneurial performance differs across start-up age categories.

C. Accounting Practices

Tables 3, 4, 6 and 7 report selected indicators from the questionnaire rather than the complete item battery for each construct. The construct scores used in the descriptive, correlation, regression and ANOVA analyses are respondent-level means computed over the full battery of items for each construct, so the arithmetic average of the indicators shown in these four tables does not reproduce the construct means reported in Tables 8 and 9. No item-level table is reported for Access to Finance.

Accounting Practice	Mean	Std. Deviation
Regular accounting records	4.12	0.72
Use of accounting software	3.89	0.81
Financial statements for decisions	4.05	0.75
Regular budgeting	3.76	0.88
Cost control through accounting	4.08	0.70

Table 3: Mean scores for selected accounting practices

The mean scores indicate that respondents generally recognise the importance of accounting. Budgeting, however, carries a comparatively lower score, suggesting that financial planning may require greater attention among younger enterprises.

D. Financial Management Practices

Practice	Mean	Std. Deviation
Cash-flow planning	3.92	0.78
Working capital management	3.81	0.82

Practice	Mean	Std. Deviation
Financial forecasting	3.68	0.91
Cost control	4.01	0.73
Financial risk management	3.72	0.85

Table 4: Mean scores for selected financial management practices

The results indicate that cost control is relatively strong, whereas financial forecasting appears to be an area requiring improvement.

E. Sources of Start-up Finance

Source	Frequency	Percentage
Personal / bootstrapped funds	53	35.3
Bank finance	38	25.3
Government support	23	15.3
Angel investors	15	10.0
Venture capital	12	8.0
Other sources	9	6.0
Total	150	100.0

Table 5: Sources of start-up finance reported by respondents

The distribution suggests that entrepreneurs continue to rely considerably on personal resources. This may reflect difficulties in accessing external capital during the early stages of business.

F. Innovation Practices

Innovation Indicator	Mean	Std. Deviation
Product or service innovation	4.10	0.71
Process innovation	3.88	0.79
Digital technology adoption	4.18	0.68
Innovation expenditure	3.65	0.92
Competitive advantage through innovation	4.05	0.73

Table 6: Mean scores for selected innovation indicators

Digital technology adoption receives the highest mean score among the indicators reported, which points to the growing importance of technology in start-up operations.

G. Entrepreneurial Performance

Performance Indicator	Mean	Std. Deviation
Revenue growth	3.86	0.78
Profitability improvement	3.72	0.84
Customer growth	4.01	0.74

Performance Indicator	Mean	Std. Deviation
Market expansion	3.75	0.86
Productivity improvement	3.89	0.72
Competitive position	3.94	0.76

Table 7: Mean scores for selected entrepreneurial performance indicators

The results indicate moderate to positive entrepreneurial performance across the selected indicators.

H. Descriptive Statistics of Research Variables

Variable	N	Mean	Std. Deviation	Minimum	Maximum
Accounting Practices	150	3.826	0.517	2.500	5.000
Financial Management	150	3.899	0.505	2.625	5.000
Access to Finance	150	3.841	0.521	2.667	5.000
Innovation Capability	150	3.882	0.472	2.625	5.000
Entrepreneurial Performance	150	3.855	0.468	2.600	5.000

Table 8: Descriptive statistics of the research variables

Table 8 presents the descriptive statistics for the five major constructs used in the study: Accounting Practices, Financial Management, Access to Finance, Innovation Capability and Entrepreneurial Performance.

The mean scores indicate the general level at which respondents perceive each of these dimensions within their businesses. The standard deviation shows the extent to which responses vary among the respondents.

The results suggest that accounting and financial practices are relevant components of start-up management. Entrepreneurs appear to recognise the importance of maintaining financial information, managing resources and planning business finances. Innovation Capability and Entrepreneurial Performance also emerge as important dimensions of the start-up environment.

Entrepreneurial Performance has been calculated by a single consistent method throughout, namely the respondent-level mean of items EP1 to EP10. The same Entrepreneurial Performance score is therefore used in the correlation, regression and ANOVA analyses that follow.

I. Construct-Level Mean Scores

Variable	Mean	Std. Deviation
Accounting Practices	3.826	0.517
Financial Management	3.899	0.505
Access to Finance	3.841	0.521
Innovation Capability	3.882	0.472
Entrepreneurial Performance	3.855	0.468

Table 9: Construct-level mean scores

Table 9 provides a comparison of the mean scores of the five major constructs. It helps to show how respondents generally perceive accounting practices, financial management, access to finance, innovation capability and entrepreneurial performance.

A difference in mean scores should not, however, be interpreted as evidence that one variable causes another. The purpose of the mean comparison is primarily descriptive, while correlation and regression provide stronger evidence regarding the relationships among the variables.

J. Pearson Correlation Matrix

Variable 1	Variable 2	Pearson r	Sig. (2-tailed)
AP_Mean	FM_Mean	0.392	7.27e-07
AP_Mean	AF_Mean	0.397	4.97e-07
AP_Mean	IC_Mean	0.469	1.49e-09
AP_Mean	EP_Mean	0.371	2.88e-06
FM_Mean	AF_Mean	0.483	3.79e-10
FM_Mean	IC_Mean	0.476	7.33e-10
FM_Mean	EP_Mean	0.427	5.07e-08
AF_Mean	IC_Mean	0.481	4.69e-10
AF_Mean	EP_Mean	0.450	7.57e-09
IC_Mean	EP_Mean	0.550	3.04e-13

Table 10: Pearson correlation matrix

Note: N = 150. Every correlation reported in Table 10 is significant at the 0.01 level (two-tailed). AP = Accounting Practices; FM = Financial Management; AF = Access to Finance; IC = Innovation Capability; EP = Entrepreneurial Performance.

VIII. INTERPRETATION OF THE CORRELATION RESULTS

A. Accounting Practices and Entrepreneurial Performance

The correlation between Accounting Practices and Entrepreneurial Performance is positive and statistically significant ($r = 0.371$, $p < .001$). A positive coefficient indicates that better accounting practices tend to be associated with better entrepreneurial performance.

From a practical perspective, this suggests that accounting information can be useful to entrepreneurs beyond statutory compliance. Proper records can help business owners monitor costs, understand financial performance and make more informed decisions.

B. Financial Management and Entrepreneurial Performance

Financial Management is also positively and significantly correlated with Entrepreneurial Performance ($r = 0.427$, $p < .001$), which indicates that better financial planning and control are associated with improved business performance.

Effective cash-flow management, budgeting and financial planning are particularly important for start-ups because limited financial resources have to be used carefully. A positive relationship therefore suggests that financial discipline may support better entrepreneurial outcomes.

C. Access to Finance and Innovation Capability

The analysis shows a positive and statistically significant relationship between Access to Finance and Innovation Capability ($r = 0.481$, $p < .001$).

This finding suggests that start-ups with better access to financial resources may have greater opportunities to invest in innovation, technology, product development and other growth-oriented activities.

In simple terms, having an innovative idea is not always enough. Entrepreneurs also need financial resources to develop, test and implement that idea.

D. Innovation Capability and Entrepreneurial Performance

Innovation Capability records the strongest correlation in the matrix ($r = 0.550$, $p < .001$), which indicates that innovative activity is associated with better business outcomes.

Start-ups that focus on new products, services, processes or technologies therefore tend to report better entrepreneurial performance. Because this is a bivariate association, its weight in the presence of the other explanatory variables is assessed through the regression model reported below.

IX. MULTIPLE REGRESSION ANALYSIS

The multiple regression model treats Entrepreneurial Performance as the dependent variable, and Accounting Practices, Financial Management, Access to Finance and Innovation Capability as the independent variables.

A. ANOVA Summary of the Regression Model

Source	Sum of Squares	df	Mean Square	F	Sig.
Regression	11.98	4	3.00	21.04	1.07e-13
Residual	20.65	145	0.14		
Total	32.63	149			

Table 11: ANOVA summary of the multiple regression model

Table 11 presents the ANOVA summary of the multiple regression model. The model reports a coefficient of determination of $R^2 = 0.367$.

This means that the four explanatory variables, namely Accounting Practices, Financial Management, Access to Finance and Innovation Capability, collectively explain approximately 36.7 per cent of the variation in Entrepreneurial Performance.

The remaining variation is likely to be associated with other factors that are not included in the present model, such as market conditions, entrepreneurial experience, competition, human resources, technology, customer demand and business strategy.

The overall regression model is statistically significant: $F(4, 145) = 21.039$, $p < .001$. This indicates that the model as a whole provides a meaningful explanation of Entrepreneurial Performance. The study therefore provides evidence that accounting, financial and innovation-related factors, when considered together, are relevant to the performance of start-ups.

B. Regression Coefficients

Predictor	B	Std. Error	Beta	t	Sig.
Constant	1.081	0.312		3.465	0.001
Accounting Practices	0.069	0.070	0.076	0.984	0.327
Financial Management	0.128	0.075	0.138	1.714	0.089
Access to Finance	0.160	0.073	0.179	2.208	0.029
Innovation Capability	0.359	0.082	0.363	4.369	0.000

Table 12: Multiple regression coefficients

Note: N = 150. Dependent variable: Entrepreneurial Performance. $R^2 = 0.367$.

Among the four predictors, Innovation Capability carries the highest standardised coefficient (Beta = 0.363, $p < .001$), followed by Access to Finance (Beta = 0.179, $p = .029$). These are the only two predictors that make a statistically significant independent contribution to Entrepreneurial Performance. The coefficients for Accounting Practices (Beta = 0.076, $p = .327$) and Financial Management (Beta = 0.138, $p = .089$) are positive in sign but are not statistically significant once the other variables are held constant.

A plausible reading of this pattern is that accounting practices and financial management operate largely indirectly. Both are significantly correlated with Entrepreneurial Performance at the bivariate level, as Table 10 shows, and both are also significantly correlated with Access to Finance and Innovation Capability. Much of their association with performance therefore appears to be transmitted through the financing and innovation capacity they help to build, rather than to survive as a separate direct effect in the regression model.

X. ONE-WAY ANOVA

The study also examines whether entrepreneurial performance differs according to the age of the start-up.

A. Entrepreneurial Performance by Start-up Age

Start-up Age	N	Mean	Std. Deviation
Less than 2 years	55	3.820	0.497
2 to 5 years	50	3.838	0.499
6 to 10 years	30	3.900	0.415
More than 10 years	15	3.947	0.362
Total	150	3.855	0.468

Table 13: Entrepreneurial performance by start-up age

Table 13 presents the average entrepreneurial performance scores for start-ups of varying ages. The group sizes correspond to the age distribution reported in Table 2.

Differences in the average scores indicate that the level of entrepreneurial performance is not uniform across the groups. A difference in average values does not, by itself, show that the difference is statistically significant, and these results therefore need to be read alongside the ANOVA results in Table 14.

B. One-Way ANOVA Results

Source	Sum of Squares	df	Mean Square	F	Sig.
Between groups	0.269	3	0.090	0.404	0.750
Within groups	32.363	146	0.222		
Total	32.632	149			

Table 14: One-way ANOVA of entrepreneurial performance by start-up age

Table 14 examines whether Entrepreneurial Performance differs significantly across start-up age groups. The result is $F(3, 146) = 0.404, p = .750$.

Since the p-value of .750 is considerably higher than the .05 significance level, the difference between the groups is not statistically significant.

This means that the study does not provide sufficient statistical evidence to conclude that start-up age has a significant effect on Entrepreneurial Performance.

In practical terms, a start-up does not necessarily perform better simply because it has been in business for a longer period. Other factors, such as financial management, access to finance, innovation capability and business strategy, may be more important in explaining differences in performance.

XI. HYPOTHESIS TESTING SUMMARY

Hypothesis	Relationship tested	Result	Decision
H1	Accounting Practices → Entrepreneurial Performance	$B = 0.069, \text{Beta} = 0.076, p = 0.327$	Not supported
H2	Access to Finance → Innovation Capability	$r = 0.481, p = 4.69\text{e-}10$	Supported
H3	Financial Management → Entrepreneurial Performance	$B = 0.128, \text{Beta} = 0.138, p = 0.089$	Not supported
H4	AP + FM + AF + IC → Entrepreneurial Performance	$R^2 = 0.367, F(4, 145) = 21.039, p = 1.07\text{e-}13$	Supported

Table 15: Summary of hypothesis testing

Note: $N = 150$. Hypotheses are assessed at the .05 level of significance. H1 and H3 are tested on the regression coefficients reported in Table 12, H2 on the correlation reported in Table 10, and H4 on the overall regression model reported in Table 11. H1 is stated in terms of financial performance; because financial performance was not measured as a separate construct, it is tested here against Entrepreneurial Performance.

XII. DISCUSSION

This section summarises the results of the hypotheses developed for the study.

The hypotheses are evaluated using the appropriate statistical tests rather than by relying on the direction of the mean scores alone. The significant relationships identified in the correlation and regression analyses provide support for the corresponding hypotheses, while a hypothesis whose p-value exceeds .05 is not treated as statistically supported. On this basis, H2 and H4 are supported and H1 and H3 are not.

It is worth being precise about what the unsupported hypotheses do and do not show. Accounting practices and financial management are both significantly correlated with entrepreneurial performance when each is considered on its own. What the regression indicates is that neither retains a statistically significant independent effect once access to finance and innovation capability enter the model. This is a statement about the structure of the relationship, not a finding that accounting and financial management are irrelevant to start-up performance.

The overall regression model is significant, with $F(4, 145) = 21.039$, $p < .001$. The combined contribution of the explanatory variables to Entrepreneurial Performance is therefore statistically meaningful, even though two of the four individual coefficients are not.

The ANOVA result, by contrast, does not support a significant difference in Entrepreneurial Performance based on start-up age, since $F(3, 146) = 0.404$, $p = .750$.

XIII. OVERALL INTERPRETATION OF THE STATISTICAL ANALYSIS

Taken together, the results present a reasonably consistent picture of the relationship between accounting, finance, innovation and start-up performance.

The regression analysis shows that Accounting Practices, Financial Management, Access to Finance and Innovation Capability collectively explain 36.7 per cent of the variation in Entrepreneurial Performance. The overall model is statistically significant, indicating that these factors, when considered together, are relevant to understanding the performance of start-ups. Within the model, innovation capability is the dominant predictor and access to finance the second.

The correlation analysis also highlights the importance of the relationship between Access to Finance and Innovation Capability. This finding has a practical meaning for entrepreneurs: financial resources can provide the capacity needed to experiment, adopt technology, develop products and implement innovative ideas.

At the same time, the ANOVA result shows that start-up age does not produce a statistically significant difference in Entrepreneurial Performance. Business age alone should therefore not be treated as a reliable indicator of entrepreneurial success.

Overall, the findings suggest that successful entrepreneurship is not simply a matter of having a good business idea or of operating a business for a longer period. It also depends on how effectively entrepreneurs manage financial resources, use accounting information, obtain finance and develop their capacity for innovation.

XIV. MAJOR FINDINGS

The principal findings are as follows.

- Accounting practices are positively and significantly correlated with entrepreneurial performance ($r = 0.371$, $p < .001$), but they do not make a statistically significant independent contribution once financial management, access to finance and innovation capability are held constant ($\text{Beta} = 0.076$, $p = .327$). H1 is therefore not supported.
- Financial management is likewise positively and significantly correlated with entrepreneurial performance ($r = 0.427$, $p < .001$), but its independent contribution in the regression model is not statistically significant ($\text{Beta} = 0.138$, $p = .089$). H3 is therefore not supported.
- Access to finance is positively and significantly associated with innovation capability ($r = 0.481$, $p < .001$). H2 is supported.
- Innovation capability shows the strongest correlation with entrepreneurial performance in the matrix ($r = 0.550$, $p < .001$) and is also the strongest predictor in the regression model ($\text{Beta} = 0.363$, $p < .001$).
- Access to finance is the only other predictor that contributes significantly to entrepreneurial performance in the model ($\text{Beta} = 0.179$, $p = .029$).
- Taken together, the four explanatory variables explain 36.7 per cent of the variation in entrepreneurial performance ($R^2 = 0.367$; $F(4, 145) = 21.039$, $p < .001$). H4 is supported.
- Entrepreneurial performance does not differ significantly across start-up age groups ($F(3, 146) = 0.404$, $p = .750$). The age of a start-up is therefore not, by itself, associated with its performance in this sample.

- Digital technology adoption records the highest mean among the innovation indicators reported (4.18), which points to the growing importance of technology in start-up operations.
- Personal and bootstrapped funds remain the single largest reported source of start-up finance, at 35.3 per cent of respondents.
- Financial forecasting records the lowest mean among the financial management indicators reported (3.68) and appears to require greater attention among young businesses.

XV. SUGGESTIONS AND POLICY IMPLICATIONS

A. For Start-ups

Start-ups should establish proper accounting systems from the beginning rather than waiting until the business becomes large. Regular financial reporting, budgeting and cash-flow forecasting can help entrepreneurs identify financial problems at an early stage.

Entrepreneurs should also improve their financial literacy. Understanding financial statements and financing options can help them make better decisions.

B. For Government

Government agencies can strengthen entrepreneurship programmes by combining financial assistance with financial management training. Entrepreneurs may benefit more when funding support is accompanied by mentoring in accounting, budgeting and financial planning.

C. For Financial Institutions

Banks and financial institutions should consider developing products designed specifically for start-ups. Flexible lending mechanisms and alternative credit assessment models may help innovative businesses that lack traditional collateral. Since access to finance is one of the two variables that contributes significantly to entrepreneurial performance in the model, improvements on this front are likely to matter.

D. For Incubators and Accelerators

Incubators should provide practical training in accounting, financial planning, taxation, cash-flow management and investor readiness alongside technical and business mentoring.

E. For Entrepreneurs

Entrepreneurs should treat accounting and finance as strategic functions rather than administrative obligations. Financial decisions should be linked with innovation and growth

strategies, since it is through financing and innovation capacity that sound financial practice appears to reach performance.

XVI. CONCEPTUAL FRAMEWORK

The study proposes the following conceptual relationship:

Accounting Practices → Quality of Financial Information → Financial Management Capability
→ Efficient Resource Allocation → Access to Finance → Innovation Capability →
Entrepreneurial Performance

This framework suggests that accounting and financial management create the foundation upon which innovation and entrepreneurial growth can develop. The regression results are consistent with that sequence, in that the two variables closest to performance in the chain, access to finance and innovation capability, are the two that carry statistically significant coefficients.

XVII. CONCLUSION

The study brings accounting, financial management, access to finance and innovation capability together within an integrated framework of entrepreneurial performance. Based on the responses of 150 participants, the findings indicate that these dimensions are relevant to the functioning and performance of start-ups.

One of the important observations of the study is that accounting should not be viewed simply as a compliance requirement. For an entrepreneur, reliable accounting information can provide a practical basis for understanding costs, monitoring financial performance, deciding where to allocate resources and managing financial risks. Similarly, effective financial management can help entrepreneurs use limited resources more efficiently and make better business decisions. The regression results place a qualification on this: neither accounting practices nor financial management carries a statistically significant independent effect on performance once access to finance and innovation capability are taken into account, which suggests that their contribution works through those channels rather than around them.

The study also highlights the relationship between access to finance and innovation capability. Innovation often requires financial resources for product development, technology adoption, skilled employees, market testing and business expansion. Start-ups that are able to combine financial planning with innovation-oriented activities may therefore be better positioned to respond to changing market conditions and to improve their entrepreneurial performance.

The regression analysis further shows that accounting practices, financial management, access to finance and innovation capability, when considered together, provide a meaningful

explanation of the variation in entrepreneurial performance. At the same time, the ANOVA results indicate that entrepreneurial performance does not differ significantly across start-ups based on their age. This suggests that the length of time a start-up has been operating may not by itself determine its performance, and that the way financial and innovation-related resources are managed may matter more.

The findings therefore support the need for a more integrated approach to start-up development in India. Entrepreneurs need stronger accounting and financial-management capabilities, financial institutions need to develop suitable financing mechanisms for start-ups, and entrepreneurship-support agencies can provide financial and managerial guidance alongside funding and incubation support.

Overall, the study indicates that accounting and finance are not merely administrative functions for start-ups. When combined with effective financial management, access to finance and innovation capability, they can contribute to better entrepreneurial decision-making and business performance.

XVIII. LIMITATIONS OF THE STUDY

The study has certain limitations that should be considered while interpreting its findings. First, the study is based on a sample of 150 respondents, and the findings may therefore not fully represent the entire population of Indian start-ups and entrepreneurs. A larger sample covering more regions, industries and stages of business development could provide broader insights.

Second, the study focuses on start-ups and entrepreneurs in India. The findings may therefore not be directly generalisable to start-up ecosystems in other countries, where financial systems, regulatory environments, market conditions and entrepreneurial practices may differ.

Third, the study uses responses collected through a structured questionnaire. Since the information is based on respondents' perceptions and self-reported assessments, the possibility of response bias cannot be completely ruled out. The design is also cross-sectional, so the relationships reported are associations rather than demonstrated causal effects.

Fourth, the item-level tables reported above present selected indicators rather than the complete item battery for each construct, and no item-level table is reported for Access to Finance. Readers who wish to reproduce the construct scores would need the full instrument.

Finally, the study examines accounting practices, financial management, access to finance, innovation capability and entrepreneurial performance. Sustainable growth has not been treated as a separate measured construct, because it was not independently operationalised in the

questionnaire. Future research may develop a separate scale for sustainable growth and examine its relationship with financial management, innovation and entrepreneurial performance.

XIX. SCOPE FOR FUTURE RESEARCH

Future studies can extend this research by using larger and more diverse samples, longitudinal data and sector-wise comparisons. Such studies may provide deeper evidence regarding how accounting, finance and innovation capabilities influence the long-term performance of start-ups.

Comparative studies between technology and non-technology start-ups, and across different regions of India, may also provide additional insights.

Future research can also examine the impact of artificial intelligence, fintech, cloud accounting, blockchain and digital lending on start-up finance.

Structural equation modelling may be used to examine the direct and indirect relationships among accounting, finance, innovation and entrepreneurial performance. Given that the present results suggest accounting practices and financial management may act on performance indirectly, a model capable of estimating mediated paths would be a natural next step.

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