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Cash Flow Management among Micro-Traders: Responses to the COVID-19 Pandemic

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Abstract: The coronavirus disease 2019 (COVID-19) pandemic that struck unexpectedly has reinforced the need for proper cash flow management by micro-businesses. It may be complicated for the business sector to differentiate between business and personal finances if there is no discipline or consistency in financial management. Therefore, this study examines the practice of cash flow management by micro-traders in Kuala Terengganu, Malaysia, before 2020 and examines how their lives were affected during the freeze on economic activity. A quantitative research design was adopted, and the participants for the study were selected using the convenience sampling technique. A survey was conducted in November 2021, and 141 pieces of clean data were obtained. Statistical Package for the Social Sciences software (SPSS) was used to generate descriptive statistics for data analysis. This study determined that micro-traders did not exhibit proper cash flow management, placing them in a critical financial situation when the pandemic crisis was prolonged. The movement control order and the extended COVID-19 pandemic that caused the economic downturn negatively impacted the cash flow of micro-traders and negatively affected their incomes and livelihoods.

Keywords: cash flow management; micro-traders; micro-businesses; coronavirus disease 2019; Malaysia

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1. Introduction

Micro-businesses, which contribute to economic development, are essential to the economy of a country. They have the edge over other companies because they are easy to start. As a result, small businesses contribute significantly to improving household incomes [1]. In Malaysia, the term "small and medium enterprises" (SMEs) refers to small, medium, and micro enterprises, which constituted about 97.2% of business establishments in 2020, with micro enterprises accounting for 78.4% of SMEs [2]. The contribution of SMEs to the Malaysian economy was encouraging in 2019, comprising 38.9%, 48.4%, and 17.9% of overall gross domestic product (GDP), total employment, and exports, respectively.

The term "micro-business" refers to companies with fewer than five employees or a sales turnover below RM 300,000. They are the backbone of the economy [3]. Although there are many of them, their contribution to economic growth is unclear. They exist in public areas because they offer essential products or services and fulfil general needs. Therefore, they can be found in residential areas, morning and night markets, by the roadside, in areas of public focus such as schools and government buildings, beaches, and even inside shopping complexes. Their business is conducted on a small scale, with most of them dealing with food and beverage, construction, and service operations. They use the income generated from the business to feed their families.

The current critical issue of coronavirus disease 2019 (COVID-19) has become a worldwide disaster [4]. The pandemic has led to health and economic crises throughout the world [5,6]. A movement control order (MCO) (i.e., social isolation) was declared and imposed worldwide to control the pandemic. The MCO was a shock and an unprecedented

situation that affected almost the entire world. This situation has significantly changed the habits of life. The prolonged COVID-19 crisis has dramatically impacted small businesses worldwide, and the MCO put industries on hold for quite some time, resulting in most companies being forced to close.

During economic struggles, businesses must increase liquidity. For example, small businesses will need to liquidate their assets, as they typically do not make significant investments in capital expenditure. They can also implement cost-containment measures such as reducing the number of employees, cutting employee salaries, or changing the status of employees from permanent to temporary according to their needs and sales income. However, in the case of this pandemic, cost-cutting measures, especially those related to labour and operations, were difficult to implement due to the restrictions and limitations imposed by the government on the people and businesses. The shock of the current pandemic goes beyond contingency planning and has given rise to prolonged uncertainty and unprecedented scenarios. Due to the nationwide lockdown and stalled economic activity, many micro-businesses were severely affected, and some even went bankrupt. In addition to cash assistance from the government to help those most affected, savings and liquid assets were helpful for survival. The performance of micro-businesses depends on the extent to which they owned savings and liquid assets before the COVID-19 pandemic hit.

The pandemic has strengthened the need for micro-businesses to have proper cash flow management. Therefore, this study examines the practice of cash flow management pre-2020 and determines how the lives of micro-traders were affected when economic activity was frozen. The study also examines micro-traders' sources of capital after the economy reopened. Maintaining proper cash flow is crucial in a business, whether large or small, because its success or failure is determined by its ability to generate and manage its cash flow [7]. Companies with poor cash flow management cannot survive because cash is the backbone of every business [8]. A business must ensure that it has sufficient cash to meet its needs and obligations and increase its profitability and sustainability. Powerful cash management builds adaptability and is an advantage in managing crises or exploiting opportunities when they suddenly arise [8]. In addition, operating cash determines a company's capabilities to conduct its business activities, with poor cash management affecting its survival. In this context, about 80–90% of Malaysian SMEs fail in their first year of operation [9], with 44.8% of them facing cash flow or liquidity problems [10]. The same situation was encountered in a study by [11], in which seven out of ten small business owners confirmed that a lack of cash flow was their biggest threat. Internal cash management control is still poor among small and micro businesses [7]. Most small businesses do not practice cash flow management because it is presumed to be unnecessary and time-consuming [12]. If there is to be discipline and consistency in financial management, including cash flow, the business sector must differentiate between business and personal finances.

Managing business and personal cash is important during economic uncertainty, such as during the COVID-19 pandemic crisis. Therefore, this study is relevant because it provides vital information on this matter. The findings will assist practitioners and policymakers in identifying the strategies required to respond to the impact of COVID-19 on the practice of cash flow management among micro-traders. This study can be used as a reference by government agencies to educate micro-traders on the importance of cash flow management when facing difficult times. The findings will also help the Malaysian government alleviate their burden by providing financial assistance to micro-traders for their businesses and lives.

In both the global and Malaysian contexts, previous research has been conducted into the ways that micro-businesses manage their cash flows. Examples include the works of [13–18], who undertook research in the retail sector in South Africa to explore how small, micro, and medium enterprises (SMMEs) practised cash flow management and addressed the difficulties they encountered. Meanwhile, another study [19] illustrated that most

entrepreneurs running micro or small operations were not interested in utilising their cash flow statements when making business decisions that affect the future survival and growth of their businesses. An investigation conducted in Cape Metropolis, South Africa, aimed to determine how small, medium, and micro enterprises practised cash management [17]. The majority of SMMEs in their sample were found to exhibit effective cash management. Research was undertaken in Peninsular Malaysia to examine the degree to which micro and small companies in four states (Selangor, Kuala Lumpur, Perak and Kelantan) in the country applied cash management practices [7]. According to the research outcomes, cash flow management practices were implemented effectively by the companies to a large extent. Nevertheless, various aspects were lacking in the ways that cash management was practised. Cash was not always controlled internally in the proper manner, such as by those whose roles included keeping accounting records and preparing cash budgets. Thus, Malaysia-based micro-entrepreneurs and their operations require further investigation, which should focus specifically on ways that their cash flow management practices make their businesses more profitable and sustainable.

In [20], the authors identified numerous academic works that have examined how aspects of national economies and societies have been affected by the crisis brought on by the COVID-19 pandemic. For instance, in [21], the authors studied how small and medium-sized Iraqi companies, both family- and non-family-managed, had been affected by COVID-19 as regards their risk-taking behaviour. Their findings demonstrated that risk-taking within these companies had been positively and significantly influenced by the virus outbreak. As COVID-19 grew in severity, these family- and non-family-managed firms took more risks. Meanwhile, research by [22] assisted SMEs in Bangladesh by producing COVID-19-related survival strategies that helped them to manage their cash flows.

In [23], the authors conducted research into the links between three key elements: micro and small enterprises (MSEs) in China, obtaining loans from internet financial services (IFS), and the relevant effects of the pandemic. The authors also analysed how entrepreneurs' views on the benefits and drawbacks of IFS mediated these relationships. Qualitative research was undertaken by [24] to understand what SME owners thought and felt about the MCO in Malaysia in terms of its effects on their company operations. The authors also aimed to recognise which strategies the companies had adopted to survive in the short term using the resource-based perspective. The SMEs were found to have faced problems due to the MCO that could be categorised into two groups: issues that affected their operations, such as disruptions to their activities and supply chains, and financial issues such as imbalanced cash flows or the danger of becoming bankrupt. The same authors discovered that the complete lockdown of activities while the MCO was in effect had resulted in zero income being recorded by some companies. Imbalanced cash flows occurred because proprietors continued to face financial obligations and unavoidable fixed costs; for example, salaries, rents, and utility bills still had to be paid, and loan repayments needed to be made.

An investigation was conducted by [25] into the ways that SME managers responded to the challenges that arose during the COVID-19 outbreak. The study findings indicated the various issues that the SMEs encountered in terms of their operations (such as staff being overloaded or poor productivity) and finances (such as reduced sales and cash flows). Lastly, in [26], the authors explored how SME managers, particularly those running micro-businesses, could have taken immediate and future measures to address the various challenges they encountered at the time of the MCO. These difficulties included cash flow shortages and obsolete promotional approaches, which made it highly problematic for the proprietors of such companies to survive throughout the COVID-19 pandemic.

Thus, the majority of existing studies have focused on the issues faced by SMEs while the pandemic was at its height as well as the effects of the virus outbreak. Despite the body of work that exists, MEs in Terengganu, Malaysia, have received far less academic attention, especially with regard to the ways they practised cash flow management responses prior to the outbreak of COVID-19. The current study is unprecedented in examining the

circumstances in which Terengganu-based micro-traders operate. The article explores the situations prior to and during the pandemic, with particular reference to the ways cash flow management has been practised as well as the effects of the economic slowdown on these practices. By employing descriptive statistics, the author explains, collects, and classifies numerous types of demographic information, including gender, age, levels of education, company tenures, company types, rented locations and their costs, capital, sources of capital, and cash-related circumstances conditions. In addition, the study adopts a considerably different perspective from the existing reports and works by exploring the responses to the management of cash flows. The remainder of this paper is structured as follows.

The next section reviews the literature on COVID-19 and its effect on small businesses in Malaysia. Section 3 discusses the methodological framework employed in this study. Section 4 presents the results, which are discussed in Section 5. Finally, Section 6 provides some conclusions while highlighting the limitations of the study and offering some recommendations.

2. Literature Review

2.1. Cash Flow Management

Different academic perspectives have led to different definitions of cash flow management. For instance, cash flow management was viewed by [27] as a corporate procedure that involved the collection, management, and (short-term) investment of cash. Companies could be assured of remaining financially stable and solvent primarily by their cash flow management. In [28], the authors offered an alternative definition of cash flow, which they regarded as the business' inward and outward monetary movements. A key determinant of a business remaining solvent is its cash inflow and outflow cycle.

Based on [29], cash flow is a procedure used to control the flow of cash receipts into a business, cash transfers between different parts of the business, and cash payments. According to the definition provided by [30], cash flow means cash transfers into or out of businesses, projects, or financial products. Normally, a specific and limited time period is used when measuring cash flow. Meanwhile, cash management was defined by [31] as the procedures involved in creating cash-flow-related plans and controls. Effectively implemented cash management would make companies more profitable and enable them to maintain their liquidity. Despite the many definitions, all refer to an identical concept and exhibit a consistent perspective, which is evident in both the limited and more expansive ways that cash flow management has been defined.

Additionally, the significance of cash flow management in business activities has been recognised by numerous researchers, such as [15,32–34]. In [35], it was observed that cash flow control is essential for maintaining adequate liquidity, which refers to cash on hand and assets that can be converted into cash. A business is said to have liquidity if it has sufficient cash or assets that can be transformed into cash when required to settle short-term obligations. Conversely, if a company does not have the liquidity to pay its debts, payments must be deferred, and it will have to seek external funds, resulting in increased operating costs, or it will be forced to sell certain assets. In [34], it was noted that companies' successes depend as much on their cash flow management as their development of profit-making business models. A company experiencing issues with its cash flow has no safety margin if they encounter unforeseen costs. In [15], it was argued that businesses must engage in cash flow management and make sure that cash is sufficiently available to fulfil their commitments.

The control of cash by small traders ensures the availability of funds to support the company's operations. The availability of cash flow helps the company to pay its obligations on time and to pay suppliers to enjoy cash discounts, reduced costs, and improved performance [36]. Thus, firms must effectively manage their incoming and outgoing cash. Companies perform better financially if their cash flow management

is appropriate [37]. In general, sound business decision-making often depends on an awareness of a firm's status with regard to cash.

2.2. Cash Flow Management in Small Businesses

An owner of a small business refers to an individual who conceives and launches a commercial project in addition to assuming any risks involved in this new economic operation [38]. In the view of [31], the prospective volume of administration frightens or frustrates numerous owners of small businesses, causing them to neglect their cash flows. On the other hand, cash flows may be handled with reasonable sophistication by some small businesses. The owners with poor cash management face the likelihood of failure, according to many background sources [28]. The majority of owners of local small companies do not prioritise and recognise the significance of cash management, as argued by [19]; this has been regarded as the primary reason for small companies to fail within a few years of beginning their operations. Given this backdrop, the future survival and growth of small businesses can only be assured by effective financial management.

In the Malaysian context, cash management is the most common challenge faced by small businesses. The inability to manage cash leads to difficulties repaying debts [39]. The Malaysian Investment Development Authority reported that in 2008, about 37.8% of NPLs were given help [40]. A lack of knowledge or financial expertise by most Malaysian SMEs may result in inefficient management, including inefficient management of cash flow. Inadequate cash management affects liquidity levels and impacts performance [41].

Additionally, small companies should uphold higher prudent cash flow management because they have limited access to external financing [42]. This limited access makes SMEs in Malaysia use trade credit as an alternative funding source. Companies were already experiencing competitive pressures before the pandemic. The restrictions imposed by the government, the health and economic challenges, and the fallout from the pandemic further pushed many companies out of the market [43]. According to a survey conducted between March and June 2020 of more than 4500 companies worldwide, the most significant problem was interrupted cash flow. More than 85% of companies surveyed reported that the pandemic had a medium- to high-level financial effect on their operations. Micro-businesses and small companies were the most affected [44].

The support provided by the government for micro and small enterprises is also critical as it helps them to recover. However, in [45], four out of ten companies stated that they had no support or help in terms of funding from the government to recover their businesses, and two-thirds of companies said that they received inadequate funding. The same study also revealed that sectors such as tourism and hospitality, followed by sales and retail, reported funding issues.

2.3. COVID-19 and Malaysia

The COVID-19 pandemic has been one of the biggest shocks ever experienced. The MCO forced all citizens to remain indoors, with a ban on all outdoor activities and the closure of national and state borders as well as businesses, except for a few essential services and the natural resource sector. To curb the spread of the pandemic, the Malaysian government implemented the MCO, which restricted movement and contact, starting on 18 March 2020 until 12 May 2020.

During this time, the government ordered a massive shutdown, which shocked businesses and small traders, who were unprepared to face such a situation. The government decided to relax the rules on 4 May 2020 under a conditional movement control order (CMCO) amid concerns of a resurgence of the pandemic. The CMCO was extended until 9 June, which allowed life to return to normal, with almost all economic activities and public movement recovering while adhering to strict health and safety standard operating procedures. Upon entering 2021, the government announced the Malaysian Proclamation of Emergency, which was, in effect, nationwide between 12 January 2021 and 1 August 2021 to curb the spread of COVID-19. In addition, the announcement by the prime minister

of the nationwide reimplementation of the MCO for 14 days from 13 January through 26 January to curb the spread of COVID-19 involved three stages of implementation, namely, the MCO, the CMCO, and the Recovery Movement Control Order.

Economically, the curfew brought the country's economy to a halt. As a result, the economy started to deteriorate, and its adverse effects continued to increase, affecting jobs and incomes, disrupting supply chains, killing businesses, and exacerbating inequality and poverty. Therefore, several economic stimulus measures were announced on 27 March 2020, with the aim of preserving the welfare of the people, supporting businesses, and strengthening the economy. Later, additional stimulus packages were announced on 6 April 2020 for micro-businesses and SMEs, which accounted for two-thirds of the workforce and 40% of the economy. The total stimulus package was RM 260 billion. The Central Bank of Malaysia reported a GDP growth of 0.7% for the first quarter of 2020 compared to 4.5% for the first quarter of 2019, reflecting the impact of the MCO. The Malaysian economy declined by 4.5% (2Q 2021: +16.1%). This was chiefly attributable to the strict control measures, particularly in July, under phase 1 of the National Recovery Plan. In terms of supply, all economic sectors registered a decline. However, the construction sector suffered the most losses due to its limited operating capacity. On the expenditure side, domestic demand was reduced by 4.1% (2Q 2021: +12.4%), mainly due to a reduction in private consumption and investment activities [46].

The effect of COVID-19 on the Malaysian economy was proven by the high unemployment rate of 3.3% in 2019, which had decreased to 3.2% in January 2020 before the pandemic hit the country. It then started to increase and reached 5.3% in May 2020, which evidenced a negative trend in labour demand. Although there was a positive decline in the unemployment rate for the third quarter of 2021, reaching 4.8% in June 2021, it remained high [47]. The influence of COVID-19 on the Malaysian economy can be seen through the depreciation of the ringgit (RM) against the US dollar (USD). In March 2019, the exchange rate was RM 4.08 to USD 1, which declined to RM 4.26 to USD 1 in July 2020. The weaker ringgit led to cost–push inflation as the cost of imported raw materials increased, affecting almost all sectors, especially the manufacturing sector. A weak currency adversely affects the purchasing power of the ringgit, which directly reduces living standards due to lower purchasing power.

2.4. COVID-19 and Small Businesses

The COVID-19 pandemic presented an unprecedented challenge in several ways. It placed the lives of millions of people worldwide at risk. Nearly four million people had died worldwide from the virus by the end of June 2021 [48]. The social distancing measures that were taken to curtail the virus harmed the services sector because physical proximity is vital in this field. In addition, this sector is more dependent on small and micro businesses than manufacturing companies. Therefore, the pandemic directly impacted self-employed individuals more than the employed [49] and small companies more than large companies in the United States and Europe.

There is a significant threat to small businesses due to the crisis. Various studies from all over the world have demonstrated that since the imposition of lockdowns, almost 50% of small companies have stopped operating temporarily, and nearly 60% of SMEs have risked running out of cash [50,51]. The pandemic has incurred a high economic cost, and achieving economic recovery seems daunting [52]. Due to the pandemic, small businesses suffered significant damage within one week, even before the government could start providing aid [53]. With economic restrictions, several small companies risked collapsing [54]. Small businesses encountered many issues, for example, layoffs, closures, and limited cash reserves [55]. By December 2020, it was discovered that 43% of small businesses in the United States were anticipated to close [51]. The same study found that small companies related to retail, hospitality, services, personal entertainment, and the arts were the most impacted. The Connected Commerce Council surveyed over 5016 European micro-businesses and small businesses from November to December 2020. This survey

showed that almost all these businesses were affected, with an average decline of 20% in sales and 16% in their customer base.

SMEs faced a decrease in labour supply, self-isolation, limitations on human mobility, significant reductions in capacity usage, and disruptions within their supply chains. In terms of demand, instability was caused by the circular flow of income through both the halting of payments and a decrease in the demand for investment and consumption [56]. Major movements occurred in the financial markets due to various harmful elements, such as decreased expectations, increased uncertainty, fear of contagion, reduced consumption, and banking credit [57]. In [53], the authors studied the early-stage losses due to the impact of COVID-19 on small businesses in the United States and discovered that the hit from the pandemic was severe, with a plunge in the number of active business owners being the largest on record at 22% from February to April 2020. Those who managed to survive the pandemic reported that they did not expect to recover within 2 years [58].

A survey conducted by [51] of over 5800 respondents to assess the influence of the pandemic on small businesses found that a significant number of layoffs and closures had taken place a few weeks into the crisis. In addition, it was also revealed that many small and micro businesses were financially weak, with average monthly expenses of USD 10,000; they only had about two weeks of cash in hand.

In [59], the authors discovered the reality of the situation of SMEs in Pakistan due to the crisis. Most of the respondents had been severely affected and were facing financial problems, supply chain disruptions, a decline in demand, and a reduction in sales and profits. Further, more than 83% of them were unprepared and had no plan for dealing with such situations. More than two-thirds of SMEs stated that they could not survive if the lockdown lasted more than 2 months. The small business sector in Malaysia experienced a direct impact from the MCO. Micro-entrepreneurs experienced a loss of daily income due to the supply chain disruptions caused by the closure of support sectors, labour shortages, and declining cash reserves [60].

A similar study by [61] revealed that micro-businesses in Malaysia were affected by financial issues and operational disruptions. Due to the crisis, there was a significant decrease in demand, which affected small firms to a great extent [62]. During a recession, there is an unequal distribution of economic impact across productive sectors or businesses, with SMEs being more affected than larger firms [51,63]. This situation caused entrepreneurs to shift to different approaches to continue their business operations. They turned to social media and smartphone apps such as Facebook, Instagram, and WhatsApp to promote and sell their products. These new approaches created new employment opportunities, such as product delivery by full-time or part-time transporters/runners and the adoption of cash-on-delivery transactions [64].

COVID-19 has had a substantial adverse economic impact on Malaysian industries. It has created a distressing environment in the short term, from which it is not easy to recover. The Malaysian Global Innovation and Creativity Centre (MaGIC) opined that if the pandemic continued for 6 months with the forced implementation of MCOs, about 40% of SMEs would be severely affected, leading to the closure of their operations [65].

Following the previous discussion of the literature, this study aims to investigate the cash flow management of micro-traders before 2020 and their sources of capital for returning to the market. Thus, the following four research questions were posed:

Q1. Did micro-traders in Terengganu practice cash flow management pre-2020?
Q2. Did demographic factors of gender, age and education level have an effect on cash flow management practices among micro-traders in Terengganu?
Q3. How were their lives and businesses affected during the freezing of economic activity?
Q4. What were their sources of capital for restarting their businesses after the economy reopened?

3. Research Methodology

3.1. Study Design, Setting, and Sampling

The study adopted a quantitative design and used a convenience sampling technique because it was relatively easy to obtain samples among micro-businesses spread throughout the state, especially in areas of public focus, aside from being a cost-effective and time-saving approach. The data were collected from micro-traders in Kuala Terengganu, the capital city of Terengganu state, on the east coast of Peninsular Malaysia. The survey was conducted in November 2021, when the market reopened after a prolonged shutdown due to COVID-19. The population in the current study was micro-businesses in Terengganu, Malaysia. This sector contains a register of around 30,708 micro-traders, according to the SME Corp website. The enterprise was used as the unit of analysis, while the primary respondents were the owners who represented their companies.

3.2. Study Instrument, Sample Size, and Data Collection

A survey questionnaire was designed to collect the data. It was distributed by hand to 200 micro-traders in Kuala Terengganu. It comprised two sections; the first consisted of questions based on the participants' demographic details, while the second consisted of items related to cash flow management. Before the commencement of the study, the aim and objectives of the study were explained to the participants, and they were assured that their information would be kept private and confidential. In addition, all the study participants signed a written consent form.

Out of 200 questionnaires, 170 were returned after 6 h. However, only 141 were considered usable, while 29 were discarded as they were returned blank or incomplete. The questionnaire consisted of 18 short questions, adapted from a study by [66], on cash flow management. A pilot study involving 15 small traders (excluded from the primary study sample) was carried out to eliminate any potential issues or concerns. The results from the pilot study were used to ensure that the questionnaire was fit to be used after slight modifications, with Cronbach's alpha value for all items being above 0.7. Moreover, the questionnaire was translated into Malay, the national language that is widely used, so that it would be thoroughly understood.

3.3. Data Analysis

The Statistical Package for the Social Sciences (SPSS) version 25.0 was used to analyse the collected data using the descriptive statistical analysis of frequencies and percentages. The SPSS was developed by IBM and current versions have the brand name of IBM SPSS statistics.

4. Results

Table 1 presents the demographic details of the study participants among micro-traders in Kuala Terengganu, which involved 55 (39%) men and 86 (61%) women. It suggests that women pioneer micro-businesses and are actively engaged as the backbone of the family in earning a living. Most (66%) of the respondents were above 40 years old, which could be matched with the length of the business operation. In looking at the period they had been in the business, most companies had matured over more than five years (45%), with 39% matured over 10 years.

Most of the respondents (44%) attended school up to the age of 17, leaving with a higher school certificate or secondary school level 2 certificate. At the same time, another 23% only studied up to secondary school level 1 at the age of 15. Another 23% possessed a certificate or diploma, and the remaining 10% were university graduates. There was a balanced involvement in the business between the young and old, which was matched by their educational background.

The respondents were involved in the following types of businesses: grocery stores and clothing-related businesses (41%), food and beverages (39%), raw food products (11%), and fruits and vegetables (9%). Most of the micro-businesses, which were permitted to

operate earlier than other businesses, were providing items that met the basic needs of the people, such as food and beverage and retail products. Their business locations revolved around residential areas, namely, shops and stalls (38%), wet markets, night or morning markets (36%), and by the roadside (26%).

Table 1. Demographic details of the participants.

Category	Frequency	Percentage
Gender:		
Male	55	39%
Female	86	61%
Age:		
Below 30 years	20	14.2%
30–39 years	28	19.9%
40–49 years	32	22.7%
50–59 years	41	29%
60 years and above	20	14.2%
Educational level:		
Secondary school level 1	33	23.3%
Higher school certificate/secondary school level 2	62	44%
Diploma	32	22.7%
University graduate	14	10%
Business tenure:		
Less than a year	15	10.6%
1 to less than 3 years	35	24.8%
3 to less than 5 years	22	15.6%
5 to less than 10 years	14	10%
10 years and above	55	39%
Type of business:		
Grocery and clothing	58	41.2%
Food and beverage	55	39%
Raw food products	15	10.6%
Fruits and vegetables	13	9.2%
Business location:		
Shops and stalls	54	38.3%
Wet/night/morning markets	51	36.2%
By the roadside	36	25.5%

Table 2 shows that 66 respondents (47%) traded for free in places such as at home (the majority opened a grocery shop), on the side of the road, or at morning or night markets. The remaining 75 respondents (53%) ran their business at rented places, with 46 respondents (61%) paying rents of less than RM 300 a month.

Table 3 reveals that almost 60% of the respondents closed their business for less than 3 months due to the MCO, while only 16% had to survive without a business income for more than one year. During the MCO, only 30 respondents (21%) switched to an online business, while the remaining refused. The reasons for avoiding online business were as follows: (i) sales items were not suitable for an online business; (ii) they never thought

of changing to an online business; (iii) they had no experience or expertise using online applications; and (iv) they were not ready to go into an online business. Additionally, during the MCO, about 46% of employees remained with their company or business. However, of those who remained, 74% were the spouses or children of the owners. Meanwhile, only 6.4% of employees were fired. This study reveals that almost half of the respondents (47.6%) had no employees, which gives a clear picture of the size and capabilities of most micro-businesses.

Table 2. Rental places and amounts.

Category	Frequency	Percentage
Trading places:		
Free places	66	46.8%
Rental places	75	53.2%
Rent per month:		
Less than RM 300	46	61.3%
RM 300–499	13	17.3%
RM 500–999	6	8%
RM 1000–1499	5	6.7%
RM 1500 and above	5	6.7%

Table 3. Effect of COVID-19 on businesses.

Category	Frequency	Percentage
Businesses closed:		
The business closed for less than 3 months	84	59.6%
The business closed for more than 3 but less than 6 months	19	13.5%
The business closed for more than 6 but less than 9 months	11	7.8%
The business closed for more than 9 but less than 12 months	4	2.8%
The business closed for one year or more	23	16.3%
Online business:		
Chose online mode	30	21.3%
Did not choose the online mode	111	78.7%
Category		
Status of employees during MCO	Frequency	Percentage
Remain in the company/business	65	46%
Fired	9	6.4%
No employees	67	47.6%
If the employees remain:		
Paid full salaries	46	70.8%
Deduct the salaries	19	29.2%

Table 4 shows that about 36% of respondents thought that their capital was insufficient to restore their business, while the remaining respondents assumed otherwise. Most respondents (82%) used their business or personal savings as capital to restore their business. In addition, the respondents sold or liquidated business or personal assets and borrowed from family or friends (7%). Only 4% sought help from government agencies that provided micro-credit, such as Amanah Ikhtiar Malaysia (AIM), TEKUN Nasional and Majlis

Amanah Rakyat (MARA). After an extended business closure due to the MCO, almost 50% of the respondents only needed RM 1000 and below to resume operations. Due to the small size of their businesses, very little money was required to operate them.

Table 4. Capital and its sources.

Category	Frequency	Percentage
Capital available to start the business:		
RM 1000 and below	69	49%
RM 1000–2999	31	22%
RM 3000–4999	16	11.3%
RM 5000–6999	5	3.5%
RM 7000 and above	20	14.2%
Need for capital:		
The capital was not sufficient to restore business	51	36.2%
The capital was sufficient to run the business	90	63.8%
Sources of capital:		
Used business or personal savings	115	81.6%
Sold business or personal assets	10	7.1%
Borrowed from family and friends	10	7.1%
Obtained help from government agencies	6	4.3%

Table 5 shows that 100% of micro-businesses were run using cash. The findings revealed that almost half of them did not segregate their business from their personal finances. Therefore, it was not surprising that about 70% did not have separate bank accounts for their business and personal finances. However, there was a good practice among them, where 67% set aside their business money for working capital. Meanwhile, 78% also took a salary for themselves. Without taking a salary, they were unable to control the overuse of their business money for personal matters.

Table 5. Response to cash flow management.

		Yes (%)	No (%)
1	The business only sells goods or provides services in cash	141 100%	0 0%
2	Before COVID-19 hit, I kept business and personal money separate	75 53.2%	66 46.8%
3	Before COVID-19 hit, I had two separate bank accounts for business and personal	43 30.5%	98 69.5%
4	Before COVID-19 hit, I set aside business money for business working capital	95 67.4%	46 32.6%
5	Before COVID-19 hit, I took a salary from the business	110 78%	31 22%
6	Before COVID-19 hit, I invested some of the money from business profits to get a return on investment	25 17.7%	116 82.3%
7	Before COVID-19 hit, I bought assets such as gold using business profits	60 42.6%	81 57.4%

Table 5. *Cont.*

		Yes (%)	No (%)
8	Before COVID-19 hit, there was a notebook of money in and money out of the business	64 45.4%	77 54.6%
9	Before COVID-19 hit, I make a record of cash inflows and outflows systematically and periodically	42 29.8%	99 70.2%
10	I understand financial/accounting information such as capital, profit, loss, assets, liabilities, and loan interest	74 52.5%	67 47.5%
11	I use financial/accounting information in making business decisions	50 35.5%	91 64.5%
12	Before COVID-19 hit, I prepared a cash budget for the business. Business expenses were according to the budget that had been made	57 40.4%	84 59.6%
13	Before COVID-19 hit, I had internal control over business money	63 44.7%	78 55.3%
14	Before COVID-19 hit, my business always had a surplus of cash	116 82.3%	25 17.7%
15	Before COVID-19 hit, daily sales were good, and the business was profitable, but I do not know where the money was spent	74 52.5%	67 47.5%
16	If I consistently kept track of business money inflows and outflows before COVID-19, I would have had enough savings to face tough times	120 85.1%	21 14.9%
17	I believe good cash flow management helps my business and personal life	141 100%	0 0%
18	I am satisfied with the cash flow management of my business	128 90.8%	13 9.2%

Table 6 illustrates the relationship between gender, age, and education level with cash flow management. To make a fair comparison, Table 6 was prepared based on the total number of respondents by group. For example, the total number of male respondents was 55 (100%) and female respondents 86 (100%). It was found that male and female respondents were almost equal (53% each for males and females) in terms of the proportion who kept business and personal money separately. Only about 30% of males and females had separate business and personal bank accounts. Other items also reveal almost equal findings across both genders. For instance, 64% of males and 69% of females set aside business money for working capital, 80% of males and 77% of females drew a salary from the business, and 78% of males and 76% of females had internal control over business money. However, more males (95%) than females (88%) were satisfied with their cash flow management.

Table 6. Association between gender, age, and education level with cash flow management.

No	Items		Gender			Age *						Education Level **			
			M	F		1	2	3	4	5		1	2	3	4
1	Before COVID-19 hit, I kept business and personal money separate	Y	29 (53%)	46 (53%)	Y	16 (80%)	18 (64%)	14 (44%)	15 (37%)	12 (60%)	Y	10 (30%)	27 (44%)	27 (84%)	10 (71%)
		N	26 (47%)	40 (47%)	N	4 (20%)	10 (36%)	18 (56%)	26 (63%)	8 (40%)	N	23 (70%)	35 (56%)	5 (16%)	4 (29%)
2	Before COVID-19 hit, I had two separate bank accounts for business and personal	Y	17 (31%)	26 (30%)	Y	11 (55%)	12 (43%)	9 (28%)	6 (15%)	5 (25%)	Y	4 (12%)	13 (21%)	19 (59%)	6 (43%)
		N	38 (69%)	60 (70%)	N	9 (45%)	16 (57%)	23 (72%)	35 (85%)	15 (75%)	N	29 (88%)	49 (79%)	13 (41%)	8 (57%)

Table 6. *Cont.*

No	Items	Gender				Age *						Education Level **				
			M	F		1	2	3	4	5		1	2	3	4
3	Before COVID-19 hit, I set aside business money for business working capital	Y	35 (64%)	60 (70%)	Y	19 (95%)	21 (75%)	18 (56%)	25 (61%)	12 (60%)	Y	16 (48%)	40 (65%)	26 (81%)	12 (86%)
		N	20 (36%)	26 (30%)	N	1 (5%)	7 (25%)	14 (44%)	16 (39%)	8 (40%)	N	17 (52%)	22 (35%)	6 (19%)	2 (14%)
4	Before COVID-19 hit, I took a salary from the business	Y	44 (80%)	66 (77%)	Y	17 (85%)	23 (82%)	20 (63%)	32 (78%)	18 (90%)	Y	22 (67%)	49 (79%)	25 (78%)	13 (93%)
		N	11 (20%)	20 (23%)	N	3 (15%)	5 (18%)	12 (37%)	9 (22%)	2 (10%)	N	11 (33%)	13 (21%)	7 (22%)	1 (7%)
5	Before COVID-19 hit, I invested some of the money from business profits to get a return on investment	Y	8 (15%)	17 (20%)	Y	8 (40%)	2 (7%)	6 (19%)	4 (10%)	5 (25%)	Y	1 (3%)	8 (13%)	9 (28%)	6 (43%)
		N	47 (85%)	69 (80%)	N	12 (60%)	26 (93%)	26 (81%)	37 (90%)	15 (75%)	N	32 (97%)	54 (87%)	23 (72%)	8 (57%)
6	Before COVID-19 hit, I bought assets such as gold using business profits	Y	20 (36%)	40 (47%)	Y	10 (50%)	8 (29%)	21 (66%)	17 (41%)	4 (20%)	Y	10 (30%)	25 (40%)	17 (53%)	7 (50%)
		N	35 (64%)	46 (53%)	N	10 (50%)	20 (71%)	11 (34%)	24 (59%)	16 (80%)	N	23 (70%)	37 (60%)	15 (47%)	7 (50%)
7	Before COVID-19 hit, there was a notebook of money in and money out of the business	Y	19 (35%)	45 (52%)	Y	9 (45%)	21 (75%)	15 (47%)	12 (29%)	7 (35%)	Y	7 (21%)	22 (35%)	25 (78%)	9 (64%)
		N	36 (65%)	41 (48%)	N	11 (55%)	7 (25%)	17 (53%)	29 (71%)	13 (65%)	N	26 (79%)	40 (65%)	7 (22%)	5 (36%)
8	Before COVID-19 hit, I make a record of cash inflows and outflows systematically and periodically	Y	15 (27%)	27 (31%)	Y	5 (25%)	15 (54%)	12 (38%)	7 (17%)	3 (15%)	Y	3 (9%)	13 (21%)	17 (53%)	8 (57%)
		N	40 (73%)	59 (69%)	N	15 (75%)	13 (46%)	20 (62%)	34 (83%)	17 (85%)	N	30 (91%)	49 (79%)	15 (47%)	6 (43%)
9	I understand financial/accounting information such as capital, profit, loss, assets, liabilities, and loan interest	Y	27 (49%)	47 (55%)	Y	16 (80%)	20 (71%)	13 (41%)	13 (32%)	12 (60%)	Y	11 (33%)	26 (42%)	25 (78%)	11 (79%)
		N	28 (51%)	39 (45%)	N	4 (20%)	8 (29%)	19 (59%)	28 (68%)	8 (40%)	N	22 (67%)	36 (58%)	7 (22%)	3 (21%)
10	I use financial/accounting information in making business decisions	Y	26 (47%)	44 (51%)	Y	15 (75%)	18 (64%)	13 (41%)	13 (32%)	11 (55%)	Y	10 (30%)	26 (42%)	21 (66%)	12 (86%)
		N	29 (53%)	42 (49%)	N	5 (25%)	10 (36%)	19 (59%)	28 (68%)	9 (45%)	N	23 (70%)	36 (58%)	11 (34%)	2 (14%)
11	Before COVID-19 hit, I prepared a cash budget for the business. Business expenses were according to the budget that had been made	Y	32 (58%)	52 (60%)	Y	15 (75%)	20 (71%)	17 (53%)	21 (51%)	11 (55%)	Y	17 (52%)	32 (52%)	24 (75%)	10 (71%)
		N	23 (42%)	34 (40%)	N	5 (25%)	8 (29%)	15 (47%)	20 (49%)	9 (45%)	N	6 (18%)	30 (48%)	8 (25%)	4 (29%)
12	Before COVID-19 hit, I had internal control over business money	Y	43 (78%)	65 (76%)	Y	17 (85%)	24 (86%)	24 (75%)	30 (73%)	13 (65%)	Y	17 (52%)	48 (77%)	29 (91%)	13 (93%)
		N	12 (22%)	21 (24%)	N	3 (15%)	4 (14%)	8 (25%)	11 (27%)	7 (35%)	N	16 (48%)	14 (23%)	3 (9%)	1 (7%)
13	Before COVID-19 hit, my business always had a surplus of cash	Y	49 (89%)	67 (78%)	Y	18 (90%)	23 (82%)	26 (81%)	35 (85%)	14 (70%)	Y	25 (76%)	51 (82%)	27 (84%)	12 (86%)
		N	6 (11%)	19 (22%)	N	2 (10%)	5 (18%)	6 (19%)	5 (12%)	6 (30%)	N	8 (24%)	11 (18%)	5 (16%)	2 (14%)
14	Before COVID-19 hit, daily sales were good, and the business was profitable, but I do not know where the money was spent	Y	51 (93%)	76 (88%)	Y	15 (75%)	24 (86%)	30 (94%)	39 (95%)	19 (95%)	Y	29 (88%)	59 (95%)	24 (75%)	14 (100%)
		N	4 (7%)	10 (12%)	N	5 (25%)	4 (14%)	2 (6%)	2 (5%)	1 (5%)	N	4 (12%)	3 (5%)	8 (25%)	0
15	If I consistently kept track of business money inflows and outflows before COVID-19, I would have had enough savings to face tough times	Y	46 (84%)	76 (88%)	Y	20 (100%)	23 (82%)	25 (78%)	36 (88%)	16 (80%)	Y	27 (82%)	54 (87%)	24 (75%)	14 (100%)
		N	9 (16%)	10 (12%)	N	0	5 (18%)	7 (22%)	5 (12%)	4 (20%)	N	6 (18%)	8 (13%)	8 (25%)	0
16	I believe good cash flow management helps my business and personal life	Y	55 (100%)	86 (100%)	Y	20 (100%)	28 (100%)	32 (100%)	41 (100%)	20 (100%)	Y	33 (100%)	62 (100%)	32 (100%)	14 (100%)
		N	0	0	N	0	0	0	0	0	N	0	0	0	0
17	I am satisfied with the cash flow management of my business	Y	52 (95%)	76 (88%)	Y	17 (85%)	26 (93%)	29 (91%)	39 (95%)	17 (85%)	Y	30 (91%)	56 (90%)	29 (91%)	12 (86%)
		N	3 (5%)	10 (12%)	N	3 (15%)	2 (7%)	3 (9%)	2 (5%)	3 (15%)	N	3 (9%)	6 (10%)	3 (9%)	2 (14%)

Age *: 1 = below 30 years; 2 = 30–39 years; 3 = 40–49 years; 4 = 50–59 years; 5 = 60 years and above. Education level **: 1 = secondary school level 1; 2 = secondary school level 2; 3 = diploma; 4 = degree.

A more detailed examination of the relationship between age groups and cash flow management shows that the age groups 30 to 39 and 60 and over were those that separated business and personal money the most. However, the under-30 age group was most frequently found to have different bank accounts for business and personal use. Meanwhile, the age groups of those under 30, 30 to 39, and 60 and above were most likely to take a salary from the business, with 85%, 82%, and 90% doing so, respectively. The 40-to-49 age group was 66% ahead of the other age groups in terms of buying assets such as gold. The younger age groups, i.e., those under 30 and those 30 to 39, preferred to keep internal control over business money, with 85% and 86% doing so, respectively.

With regard to education level, the group with diplomas or degrees were those who most frequently separated business and personal money, with 84% and 71% doing so, respectively. Even so, only 59% of those with diplomas and 43% of those with degrees had different bank accounts for business and personal use. Those two groups were also the most likely to prepare cash budgets for the business, with 75% and 71% doing so, respectively. All the education-level groups (secondary school level 1, secondary school level 2, diplomas, and degrees) were highly confident that their commerce had led to a business cash surplus before the outbreak of COVID-19 (76%, 82%, 84%, and 86%, respectively). All four education-level groups were also highly satisfied with the cash flow management of their business, as stated by 91%, 92%, 91%, and 86% of each group, respectively.

Table 7 reveals that 67% of the respondents did not have savings for their old age or for rainy days. In addition, 61% and 55% of micro-traders also did not have savings for their children's education or to cover medical costs for their families, respectively. The majority (49%) only had enough money to live on without an income from their business for less than 3 months. At the same time, 22% were able to survive without an income for less than 6 months.

Table 7. Cash conditions.

		Yes (%)	**No (%)**
1	Have savings for old age	47 33%	94 67%
2	Have savings for their children's education	55 39%	86 61%
3	Have savings for medical costs for the family	64 45.4%	77 54.6%
4	Have money to cover expenses without an income for:	Frequency	Percentage
	Less than 3 months	69	48.9%
	More than 3 to 6 months	31	22%
	More than 6 to 12 months	16	11.3%
	More than 12 months	25	17.8%

Table 8 outlines the cash conditions in more detail by examining the relationship between gender and age. From a gender point of view, more females had savings for their old age (24.8% or 35 from 141 total respondents) compared to only 8.5% (12 from 141 respondents) of male respondents. However, Table 8 displays the results based on the total number of respondents according to the group of respondents. Thus, it shows that 22% of male respondents have old age savings compared to 41% of female respondents. Likewise, regarding savings for children's education and medical costs, females had better savings than males, with the rates for these savings being 41% for females and 36% for males and 51% for females and 36% for males, respectively.

Table 8. Association between gender and age with cash conditions.

No	Items	Gender			Age *				
			M	F		1	2	3	4	5
1	Have savings for old age	Y	12 (22%)	35 (41%)	Y	3 (15%)	5 (18%)	10 (31%)	18 (44%)	11 (55%)
		N	43 (78%)	51 (59%)	N	17 (85%)	23 (82%)	22 (69%)	23 (56%)	9 (45%)
	Total		55 (100%)	86 (100%)		20 (100%)	28 (100%)	32 (100%)	41 (100%)	20 (100%)
2	Have savings for their children's education	Y	20 (36%)	35 (41%)	Y	1 (5%)	9 (32%)	15 (47%)	22 (54%)	8 (40%)
		N	35 (64%)	51 (59%)	N	19 (95%)	19 (68%)	17 (53%)	19 (46%)	12 (60%)
	Total		55 (100%)	86 (100%)		20 (100%)	28 (100%)	32 (100%)	41 (100%)	20 (100%)
3	Have savings for medical costs for the family	Y	20 (36%)	44 (51%)	Y	5 (25%)	8 (29%)	17 (53%)	23 (56%)	11 (55%)
		N	35 (64%)	42 (49%)	N	15 (75%)	20 (71%)	15 (47%)	18 (44%)	9 (45%)
	Total		55 (100%)	86 (100%)		20 (100%)	28 (100%)	32 (100%)	41 (100%)	20 (100%)

Age *: 1 = below 30 years; 2 = 30–39 years; 3 = 40–49 years; 4 = 50–59 years; 5 = 60 years and above.

Meanwhile, the 50-and-over age group had the strongest cash conditions, with more provision for old-age savings, children's education, and medical costs compared to the other age groups. Examining the figures more deeply by comparing cash conditions according to the number of respondents in each age category, the age group of 60 and above was found to have the strongest cash conditions for old-age savings, with 55% of the group in this position. Meanwhile, the 50-to-59 age group had the highest rate of children's education savings (54%). An examination of medical cost savings revealed higher levels of awareness and preparation in the age groups of 40 to 49, 50 to 59, and 60 and above, with the levels in these groups being 53%, 56%, and 55%, respectively.

5. Discussion

This study investigates the cash flow management of micro-traders before 2020 and examines how their lives were affected by the freeze on economic activity. Three research questions were designed to achieve this aim. First, did micro-traders in Kuala Terengganu practice cash flow management pre-2020? Second, how were their lives and businesses affected by the freezing of economic activity? Lastly, what were their sources of capital for restarting their businesses after the economy reopened?

According to the findings of this study, when COVID-19 hit and the government imposed the MCO, businesses had to shut down to curb the spread of the pandemic. The findings are in line with a study conducted by [16], who discovered that the pandemic had a more direct and profound impact on small businesses than on large companies. Previous studies [50–52] found that the lockdown caused one-half of small businesses to cease operations temporarily and that almost 60% of SMEs faced the risk of running out of cash. In [61,62], it was reported that micro-businesses in Malaysia were affected by the financial crisis and operational disruptions. There was a significant decrease in demand, which impacted small companies to a great extent. The pandemic imposed a great economic cost, and attaining recovery seems to be a challenging task.

The findings discussed in Section 4 (Table 5) show that 100% of the business conducted by micro-traders was in cash. Therefore, this signals the importance of efficient and

disciplined cash flow management, as supported by [7]. However, unfortunately, almost half of them failed to segregate business and personal finances (i.e., failed to separate business and personal money). They also did not maintain different business and personal bank accounts. Thus, they violated one of the most important accounting concepts (i.e., the separate entity concept). Those findings were in line with the studies by [28,34]. When this concept was ignored, micro-traders could not exercise control over their business. More importantly, the profit and loss of the company could not be accurately ascertained, and it became more challenging to make critical business decisions and achieve growth, as highlighted by [19]. In this study, micro-traders focused only on working capital to ensure that their business had enough money to buy stock and stay in operation; however, they did not focus on its growth. This situation could be reflected in their business tenure; only 39% had remained in their micro-business for over 10 years.

Most micro-traders drew a salary from their business, which is a proper practice to ensure control over personal expenses. However, it was quite shocking that most micro-traders did not have a notebook to record cash inflows and outflows, as also reported by [16]. Only a small number (fewer than 30% of them) maintained their record of cash flows systematically and periodically. Having no records, they did not know the exact income, expenses, or profits of their business. Thus, they were in the dark when it came to making business-related decisions. Without records of a business' cash flows, it was unnecessary to prepare a cash budget for the business. Similar to those findings, most micro-traders also had no internal control over business money, which is parallel with the findings by [8,29,34]. The findings were somewhat unfortunate because more than 82% claimed that their business always had a cash surplus. They, however, did not know where the money was spent. These outcomes answer the first research question; did micro-traders in Kuala Terengganu practice cash flow management pre-2020? Most (up to 70%) did not practice cash flow management before COVID-19 hit, which placed them in a challenging situation in terms of facing the COVID-19 pandemic crisis. Even though almost all of them claimed that they were satisfied with the cash flow management of their business, this could not be proven by their cash condition.

Table 6 illustrates a deeper view of this issue from the point of view of gender, age and level of education. The findings of the study show that male and female respondents had similar responses to most items in the assessment of cash flow management. Among the items were keeping business and personal money separately, having separate business and personal bank accounts, setting aside business money for working capital, taking a salary from the business, and having internal control over business money. However, overall, more men than women were satisfied with their cash flow management. Therefore, this study proves that gender does not affect cash flow management among micro-traders in Kuala Terengganu.

A more detailed examination of the relationship between age groups and cash flow management (Table 6) shows that the 30-to-39 and 60-and-over age groups are the ones that separate business and personal money the most. However, the under-30 age group is most often found to have separate bank accounts for business and personal use. Meanwhile, the age groups of those under 30, 30 to 39, and 60 and over choose to take a salary from the business. The 40-to-49 age group leads other age groups in terms of purchasing assets such as gold. Younger age groups, namely, those under 30 and those aged 30 to 39, prefer to maintain internal control over business money. Therefore, the findings of this study show that the age group has effects on cash flow management, with younger age groups being more concerned about better cash flow management.

With regard to the level of education, the group with a diploma or degree was the one that led almost all evaluation items related to cash flow management (Table 6). They had better awareness and practice in cash flow management compared to respondents who had a lower education level. Thus, this study concluded that education level has an effect on cash flow management in terms of micro-traders in Terengganu, Malaysia. Overall, the

answer to the second research question is mixed; that is, gender has no effect on cash flow management, while age and education level show the opposite effect.

Table 5 in Section 4 reveals that only a few respondents (fewer than 18% of them) invested their business profits to earn a return. However, some of them, believed to be female respondents, preferred to buy gold as an investment. In addition, more than half of them thought they understood matters related to financial and accounting, such as capital, profit, loss, assets, liabilities, and loan interest. They, however, did not use that information in making business decisions, which agrees with the findings from the studies by [16,28,37]. Unused knowledge does not benefit a person's business or personal life. These findings were proven by the fact that most of them (67%) had no savings for old age. They depended on their ability to earn money to fulfil their current needs without thinking about the future.

One of the basic needs that must be met is funding for children's education—every parent dreams of their children's success and a better future. However, more than half did not have money to support their children's education needs. This is a critical situation that requires the attention of parents. The majority (55%) had made no provision for and were also unwilling to pay personal and family medical costs. Instead, they use the facilities that the government offers for a minimal charge. However, certain treatments in government hospitals require payment from patients whose care requires unique and expensive equipment and medication. Therefore, financial stability is critical today. They are in a desperate business and personal financial position as only 71% have enough money to live for less than 6 months. Almost all respondents had a low level of financial management in their business and personal lives to help support critical situations such as the prolonged pandemic.

A more detailed analysis of the relationship between gender and age was also carried out. From a gender perspective, more women have savings for old age, children's education, and medical costs than men. Women were apparently more concerned and disciplined about these matters than men. Meanwhile, the 50-and-over age group had the strongest cash position, with more allocations for retirement savings, children's education and medical costs than other age groups. They had gone through phases of ups and downs in life and were more settled down in life. Therefore, they were better prepared for future commitments than the younger age group.

This discussion answers the second question: their businesses and lives were severely affected during the freeze on economic activity. The cash conditions demonstrate the reality of their lives. Without sufficient savings, most micro-traders could not afford to continue living without an income for an extended time. As a result, almost 60% returned to their business within the first 3 months of the pandemic. Even though the state of panic and fear of spreading the virus was still intense at that time, they had no choice. A small number turned to online modalities to enable the survival of their business. COVID-19 increased the burden of life and scraped away their meagre savings.

Finally, Table 4 in Section 4 uncovers information about the sources of capital to answer the third research question. Almost half of the respondents needed only RM 1000 of capital to restart their business, which justifies the size of their business. More than 70% needed only RM 3000 or less to start their business, with the majority using business and personal money as their sources of capital. They either used it as their only source of capital or used that source as additional capital after using money from other sources. Some, however, revealed that the capital was insufficient to restore their business. Only a few sold or liquidated their business or personal assets or borrowed from family or friends. A minimal number (fewer than 5%) sought help from government agencies that provide micro-credit, such as AIM, TEKUN, and MARA.

This situation of micro-businesses and their access to finance is one of the significant problems of micro-traders that restrict their business activity and hinder growth, which is alarming. One of the causes was the absence of documents to support their loan applications. Moreover, many micro-traders avoided applying for bank loans because they anticipated that their applications would be denied [39,41].

Almost all micro-traders believed that if they had consistently kept track of the inflow and outflow of their business money pre-2020, they would have had better savings to face tough times, as supported by [35]. Meanwhile, they all agreed that good cash flow management helps one's business and personal life. However, what was quite a surprise and contrast to other findings was that 91% of micro-traders were satisfied with the cash flow management of their business, which may have stemmed from their ability to conduct business. According to their knowledge and ability, they had done everything possible in terms of their business and financial management, including cash flow management.

6. Conclusions

The objectives of this study were to investigate the cash flow management ability among micro-traders before 2020 and to determine how their lives were affected during the freeze on economic activity. The pandemic affected almost all businesses, regardless of their type and size. In the face of this global economic and financial crisis, micro-traders were not spared from disaster. COVID-19 is still rampant, with no certainty when the world will return to "normal" or the way it was before the pandemic. Indeed, micro-traders need money to continue to survive. They are in a critical financial situation, with 71% having only sufficient savings for 6 months or less; they need to stay in business regardless of the state of health of the country or the world because their business is their primary source of income. Therefore, they cannot accept lockdowns that close down business opportunities or strict MCOs that prevent people from performing activities. Because their business is their means of survival, they are in a fragile economic condition without the proper management of cash inflows and outflows.

This study can be a reference for governments and government agencies to help alleviate the burden of this group by providing financial assistance for business and living. Micro-traders also need non-financial aid such as business-related training. This study has some limitations. For example, the small sample size included micro-traders from only one city. In addition, it did not examine the impact of cash flow management in other parts of Malaysia and on different business segments such as small- and medium-sized manufacturing companies. This study used only descriptive statistics without examining the impact of cash flow management practices on micro-business survival and performance. Future studies might apply other statistical methods to conduct in-depth empirical analyses. Future research can also focus on conducting a comparative study on cash flow management among micro-traders of developed and developing countries.

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Institutional Review Board Statement: Ethical review and approval were waived for this study due to REASONS (i.The respondents agreed voluntarily (signed a consent form) to participate in the study; ii.Non-identifiable data from which specific individuals cannot be identified. Respondents only revealed their names and signature on the consent letter. Researchers have no data regarding residential and business addresses, telephone numbers, and other information. Therefore, researchers could not find respondents and match respondents with the information provided in the study; iii.It was a simple questionnaire survey that elicited information on cash flow management and financial literacy. No confidential information needs to be disclosed by the respondents; iv.This study is of negligible risk where there is no foreseeable risk of harm or discomfort to the participants; that is, there is no risk of anything more than minor inconveniences such as filling out a form and spending time participating in a survey).

Informed Consent Statement: Informed consent was obtained from all subjects involved in the study. Written informed consent has been obtained from the patient(s) to publish this paper.

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