

**CASH MANAGEMENT PRACTICES AND FINANCIAL PERFORMANCE OF AGRI-BUSINESS
ENTERPRISES IN MBALE CITY**

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**A DISSERTATION SUBMITTED TO THE SCHOOL OF BUSINESS IN PARTIAL FULFILMENT
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ABSTRACT

This research was set to examine the effect of cash management practices on the financial performance of agribusiness enterprises in Mbale City. The objectives of the study were; to determine the effect of cash budgeting on financial performance of agribusiness enterprises, to establish the influence of cash control on financial performance of agribusiness enterprises and to determine the effect of book keeping on financial performance of agribusiness enterprises in Mbale City. A cross-sectional study design, using a sample of 152 agribusiness enterprises in Mbale City was adopted. Purposive sampling and simple random sampling techniques were utilized to choose the respondents and information was gathered with a well-designed structured questionnaires and interview guide. The study findings revealed that cash control was the strongest predictor of financial performance of agribusiness enterprises (beta=0.349 and $p=0.000$), followed by cash budgeting (beta=0.318 and $p=0.000$) and then book keeping (beta = 0.299 and $p=0.000$). It can therefore be concluded that cash budgeting, cash control and book keeping have strong influence on the financial performance of agribusiness enterprises. The study recommends that agribusiness enterprises should focus more on cash budgeting by preparing adequate budgets so as to ensure effective allocation and utilizations of the available resources in an effort to improve financial performance. The research also recommends that agribusiness enterprises should put in place proper cash control measures such as separation of obligations, good authorization, sufficient records and documents, physical controls, and sovereign checks on performance over cash payments, cash received, and cash banked so as to avoid likely loopholes that may affect financial performance. In addition, agribusiness enterprises should ensure proper bookkeeping by adequately recording all the business transactions in the ledger books or an accounting and bookkeeping software. This will help to determine if the business is making profits or losses.

DECLARATION

I, Nankya Christine Kiige, affirm that this is my novel research report that has not been presented in any Institute of advanced education for any educational honor.



Signature


Date 07/08/2024

NANKYA CHRISTINE KIIGE

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APPROVAL

This is to verify that this study report titled cash management practices and financial performance of agri-business enterprises in Mbale City by Nankya Christine Kiige has been carried out under my supervision and submitted to the University with my consent.

Signature: 
Prof. MABONGA ERIC

Date: 07/08/2023

SUPERVISOR

DEDICATION

This dissertation is devoted to all my family members for the financial, spiritual, and moral support that they offered me at all stages of my education. Your care and support gave me a positive transformation in life and may the Almighty God bless you abundantly.

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LIST OF ACRONYMS

CD:	Certificate of Deposit
CVI:	Content Validity Index
EFQM:	European Foundation for Quality Management
SMEs:	Small and Medium Enterprises
SPSS:	Statistical Package for the Social Sciences

CHAPTER ONE

INTRODUCTION

1.1 Introduction

This chapter looked at background to the study, problem statement, study objectives and questions, scope of the study, justification of the study, significance of the study and finally definitions of key terms. This research seeks to examine cash management practices and financial performance of agri-business enterprises in Mbale City.

1.2 Background to the Study

This part presents the historical, theoretical, conceptual and contextual background.

1.2.1 Historical Background

Organizational financial performance has been measured since olden times (Brudan, 2009). In the mid of 20th century, the fiscal directors of the railways from the European Foundation for Quality Management (EFQM) established novel performance dimensions, and the functional index, which interrelated the ratio of operational costs with the income (Tezza et al., 2010). These early concerns with evaluating organizational fiscal performance were, for the most part, openly connected to the preparation as well as control of fiscal reports (Halachmi, 2005). Organizational fiscal performance is an idiosyncratic measure of how good companies utilize their resources from their main approach of the business to make profits (Kirkpatrick, 2009). According to Yusuf et al. (2014), organizational financial performance is expounded as the extent to which an organization's fiscal aims are being or has been accomplished. It is a procedure of evaluating the outcomes of an organization's actions and guidelines in financial terms. It is used to assess the organization's general fiscal strength over an agreed period of time and can also be used to equate firms that are alike across the same business or to equate businesses or sectors in aggregation (Alnajjar, 2016).

The evolution of cash management practices can be traced back from 1976, with the putting in place of the infrastructure for internal information systems that allowed data to be shared easily among firms. This was compelled by the high-tech advances seen at the beginning of 1970s. After that, there were main changes in information technology, tactical direction as well as focus

whereas the system kept on rising (Venkatraman and Short, 2002). The aim was to improve cash management amongst corporations across nations.

1.2.2 Theoretical Background

This study adopted the Free Cash Flow Theory advanced by Jensen (1986) as the theoretical basis for analyzing and understanding cash management practices and financial performance of agri-business enterprises.

The Free Cash Flow Theory

The model states that, administration has a duty of holding money to increase control over it in making investment choices (Jensen, 1986). When money is readily accessible, investment is made much easier by the administrators. The administration should all the time make sure that it capitalizes on activities that maximize stakeholders' returns. Through holding adequate sum of money, the administration is certain of investment in development projects due to the accessibility of money henceforth better fiscal performance (Jensen, 1986). Shortage of cash means that the administration is unable to invest in any venture targeted at improving the wellbeing of the stakeholders.

Several studies have applied the Free Cash Flow Theory in various contexts, demonstrating its relevance and applicability. For instance, Richardson (2006) examined the relationship between free cash flow and over-investment in a sample of U.S. firms, finding that firms with high free cash flow are more likely to over-invest, reducing shareholder value. Similarly, Harford (1999) investigated the role of free cash flow in corporate acquisitions, concluding that companies with excess cash are more likely to engage in acquisitions, often leading to suboptimal outcomes. Another study by Brush, Bromiley, and Hendrickx (2000) explored the impact of free cash flow on the performance of diversified firms, providing evidence that free cash flow can lead to inefficiencies if not managed properly.

This model was relevant to the current study as it helps the agri-business enterprises in making investment decisions which in turn improves on their financial performance.

1.2.3 Conceptual Background

The key notions in this study were cash management practices as the independent variable as well as financial performance, the dependent variable.

Cash management is defined as the phase by phase technique of handling liquidity as well as cash flow of an organization and handling procedures and risks connected to capital optimization as well as cash flow (Juan and Martinez-Solano, 2007). Cash management covers numerous undertakings and its main purpose is controlling the cash flow of the corporation and proficiently handling its finances. Cash management is progressively the art of handling short-term possessions of the corporation to withstand its continuing undertakings, mobilize finances as well as enhance liquidity (Sharma & Kumar, 2011). Hutchison (2007) looks at cash management as the procedure that includes the assortment as well as administration of money to guarantee optimum cash balances by the corporations. Cash management centers at guaranteeing sufficient cash is upheld by the corporations and any excess is placed into the right use. Cash management is looked at as one of the main facets of effective management of working capital. Cash management contains planning as well as controlling the flows of cash in and out of the corporation, cash flows inside the corporation, and cash balances detained by a corporation at any point in time (Pandey, 2004). Mabonga, Wakabala, Kutosi, Nalela and Okware (2017) looked at cash management as the attentiveness, protection as well as investment of the existing moneys. The word cash is the factual money at hand and in the bank, does not contain the worth of inventory, accounts receivable or other such items that may be changed into money. According to this study, cash management refers to cash budgeting, cash control and book keeping by agribusiness enterprises in Mbale City.

Performance is looked at as the degree to which a corporation's objectives and goals are attained efficiently and effectively whereas financial performance is looked at as an overall measure of a corporation's general financial health position over a certain period of time (San and Heng, 2011). San and Heng (2011) are of the view that performance is measured through utilizing variables like cash flow of the corporation, working capital, cost base, borrowing as well as defining the company's growth.

Financial performance can be defined as a dimension of how a company has used its resources to make profits (Alfred, 2007). Fiscal performance is typically measured by the profitability ratios, liquidity ratios, as well as the gearing ratios. Profitability ratios of any company depicts the image of how good a company has efficiently utilized the capitals; liquidity ratios deal with the capability of a company to achieve the short-term duties; the gearing ratios shows the degree of

debt employment by the corporations. Financial performance is further looked at as the procedure and extent to which the managerial goals, financial objectives, policies, as well as actions are gauged in fiscal expressions and degree of attainment (Weda, 2015). In the context of the current study, Financial performance refers to the measure of profitability and sales volume of agribusiness enterprises in Mbale City.

1.2.4 Contextual Background

In recent years, the financial performance of agribusinesses globally has shown significant variations due to changing market dynamics, climate conditions, and economic policies. According to the World Bank (2022), the global agribusiness market was valued at approximately \$3.5 trillion, with an annual growth rate of 5.5%. However, in Sub-Saharan Africa, agribusinesses face numerous challenges that affect their financial performance, including inadequate access to financing, poor infrastructure, and fluctuating commodity prices.

In East Africa, the agribusiness sector contributes significantly to GDP, but financial performance remains volatile. For instance, in Uganda, the agribusiness sector contributes about 25% to GDP and employs 70% of the population, yet many agribusinesses struggle with financial sustainability due to high operational costs and limited access to credit (Uganda Bureau of Statistics, 2021). A report by the Uganda Investment Authority (2020) indicated that 60% of small-scale agribusinesses in Uganda operate at a loss or break-even point due to poor financial management practices.

In the context of Mbale City, agribusinesses have experienced fluctuating financial performance over the years. A survey conducted by the Mbale Agribusiness Association (2022) revealed that only 30% of agribusiness enterprises reported profitability in the last financial year, while 50% struggled with liquidity issues, and 20% were on the verge of bankruptcy. These statistics highlight the need for effective cash management practices to improve the financial performance of agribusiness enterprises in Mbale City.

Lack of proper finance at rational costs to support their operations has constantly affected their investment and production levels and henceforth reduced their return on investment (DEMIS Consults Limited, 2020). CARD UGANDA (2019) reports that 70% of commercial banks in the area still perceived agribusinesses to be low-income earners lagging in development rankings,

with low profits therefore not worth of financial services as they are a probable liability. In the same report, agriculture finance service providers also stressed that there is 17% of loan defaulting amongst agribusinesses, which shows poor performance amongst Agribusiness enterprises (SEATINI Uganda, 2018).

Agribusiness enterprises in Mbale City have been performing below expectations over a period of time. For instance, to date, Bugisu Cooperative Union is perceived not to be creditworthy, its sales capacity dropped from 10,000 metric tons in the 1980's to 2,000 metric tons per annum, hiring only around 50 people from 1000 in the 1980's (Kwapong, 2017). Also Masco registered a net loss of 20 million and 124 million shillings as at December 31st 2021 and 2020 respectively (Masco Annual Reports, 2020/2021). In addition, the audit reports of Mbale Importers & Exporters Ltd for the financial years 2019/20 to 2021/22 also revealed that a tune of Ugx 156 million was misappropriated and Ugx. 56 million was spent without proper authorization and accountability (Mbale Importers & Exporters Ltd Annual Reports, 2019-2022). This trend may be attributed to poor cash management as affirmed by Bukenya & Kinatta (2019) as the major reason for below expected financial performance among Agribusiness enterprises. It was upon this background that this research pursues to find out the effect of cash management on the financial performance of agribusiness enterprises in Mbale City.

1.3 Statement of the Problem

Agribusiness enterprises in Mbale City have been performing below expectations for a prolonged period. For instance, Bugisu Cooperative Union, once a thriving enterprise, has seen its sales capacity drop from 10,000 metric tons in the 1980s to just 2,000 metric tons per annum, with its workforce shrinking from 1,000 employees to around 50 (Kwapong, 2017). Additionally, Masco registered net losses of 20 million and 124 million shillings in the years ending December 31, 2021, and 2020, respectively (Masco Annual Reports, 2020/2021). Furthermore, audit reports from Mbale Importers & Exporters Ltd for the financial years 2019/20 to 2021/22 revealed that 156 million shillings were misappropriated and 56 million shillings were spent without proper authorization and accountability (Mbale Importers & Exporters Ltd Annual Reports, 2019-2022). These examples underscore the persistent financial challenges faced by agribusiness enterprises in Mbale City. According to Uganda Investment Authority (2018), the growth of agribusiness in Uganda is below expectations, with most agribusinesses collapsing in less than two years after

starting, and the sturdiest collapsing in less than six years. Padachi (2016) also highlights that poor financial performance in agribusiness enterprises is a widespread issue, often leading to business failure. The financial underperformance of agribusiness enterprises in Mbale City may be linked to poor cash management practices. Bukenya and Kinatta (2019) identify poor cash management as a major reason for the below-expected financial performance among agribusiness enterprises. Despite the significant impact of cash management on financial performance, there has been no prior research on this relationship within the context of Mbale City. It is upon this background that this research seeks to investigate the effect of cash management practices on the financial performance of agribusiness enterprises in Mbale City.

1.4 The purpose of the Study

To examine the effect of cash management practices on the financial performance of agribusiness enterprises in Mbale City.

1.5 Specific objectives of the Study

The study objectives were as follows;

- i. To determine the effect of cash budgeting on financial performance of agribusiness enterprises in Mbale City.
- ii. To establish the influence of cash control on financial performance of agribusiness enterprises in Mbale City.
- iii. To determine the effect of book keeping on financial performance of agribusiness enterprises in Mbale City.

1.6 Research Questions

The study answered the research questions below;

- i. What is the effect of cash budgeting on financial performance of agribusiness enterprises in Mbale City?
- ii. What is the influence of cash control on financial performance of agribusiness enterprises in Mbale City?
- iii. What is the effect of book keeping on financial performance of agribusiness enterprises in Mbale City?

1.7 Scope of the Study

This section looked at the subject, geographical as well as time scope.

1.7.1 Subject Scope

The study examined the effect of cash management practices on the financial performance of agribusiness enterprises in Mbale City. The constructs studied were; cash budgeting, cash control, book keeping as the sovereign variables; and profitability and sales volume as reliant variables.

1.7.2 Geographical Scope

The research was conducted in Mbale City which is in the Eastern Region of Uganda. Mbale City is positioned roughly 225 kilometers (140 miles) by road, northeast of Kampala, Uganda's capital city. The city also lies on the railway from Tororo to Pakwach. Mount Elgon, one of the highest peaks in East Africa, is approximately 48 kilometres (30 mi), north-east of Mbale, by road.

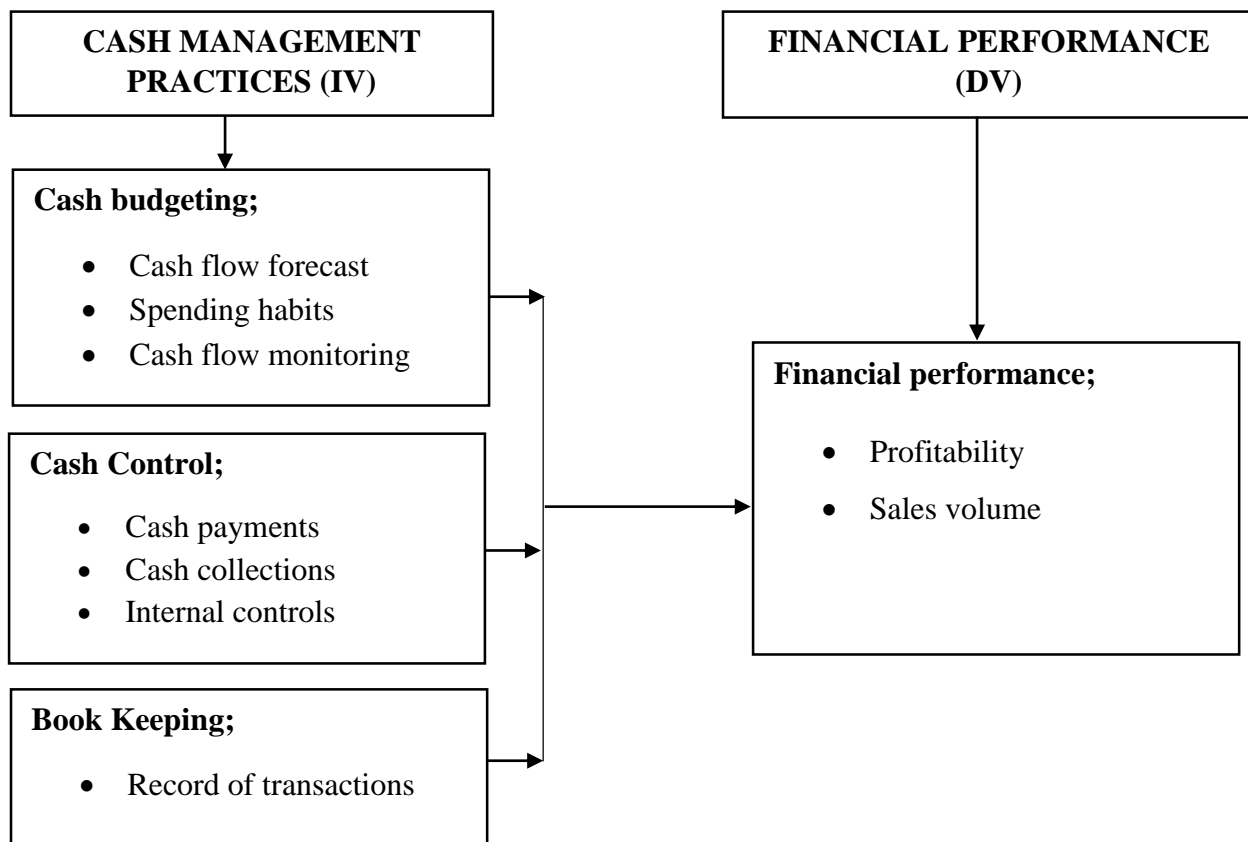
1.7.3 Time Scope

The timeframe for this research was from March 2022 to July 2023. The concept paper was presented in March 2022, followed by presentation of the proposal which was done in March 2023 and the final dissertation submitted in July 2023. The period was projected to give data that was fresh and recent.

1.8 Conceptual Framework

The conceptual framework below illustrates the association between cash management practices and financial performance.

Figure 1.1: Conceptual framework



Source: Adapted from Hamza, Mutala and Antwi (2015); Okwena, Okioma and Onsongo (2011); Sharma and Kumar (2011).

The above conceptual framework shows the relationship between the three elements of cash management practices that is cash budgeting, cash control, book keeping and financial performance, a dependent variable measured by profitability and sales volume. It was hypothesized that cash management practices in terms of cash budgeting, cash control and book keeping lead to financial performance of agribusiness enterprises in terms of profitability and sales volume.

Cash budgeting involves planning and controlling cash inflows and outflows to ensure that a business has enough liquidity to meet its obligations while optimizing the use of excess cash. Key elements include cash flow forecasts, spending habits, and cash flow monitoring. Effective cash budgeting helps businesses anticipate and prepare for financial needs, reducing the risk of liquidity shortages and improving financial performance through better resource allocation (Brigham & Ehrhardt, 2013).

Cash control refers to the processes and procedures put in place to manage cash collections, payments, and internal controls effectively. It includes measures such as timely cash payments, efficient cash collections, and robust internal controls to prevent fraud and mismanagement. Strong cash control practices help maintain financial stability and enhance profitability and sales volume by minimizing losses and ensuring accurate financial reporting (Reider & Heyler, 2002).

Bookkeeping is the systematic recording, organizing, and tracking of financial transactions. It provides a detailed record of all financial activities, ensuring accuracy and transparency in financial reporting. Accurate bookkeeping ensures that all financial transactions are recorded correctly, providing a reliable basis for cash budgeting and cash control. It enables businesses to track their financial performance, identify trends, and make informed decisions about resource allocation and investment. The validity of bookkeeping in this framework is supported by its role in ensuring financial accuracy, transparency, and compliance with financial regulations. By maintaining precise records, agribusiness enterprises can improve their financial performance through better decision-making and strategic planning (Weygandt, Kimmel, & Kieso, 2018).

1.9 Significance of the Study

The findings of the research might benefit management and staff of agribusiness enterprises through gaining understanding on how their enterprises can efficiently implement the cash management practices so as to enhance financial performance.

Other researchers and scholars attracted in conducting additional researches in the similar area might use the outcomes of this research as a valuable reference material.

1.10 Operational definitions of the key words

Cash management: This is defined as the procedure which contains the assortment as well as management of cash to ensure optimum cash balances by corporations (Hutchison, 2007).

Cash budgeting: This is a procedure of forecasting cash influxes as well as allotting cash outflows for a particular period of time (Pimpong & Laryea, 2016).

Cash control: This is the general approach as well as activities of administration concerning cash control system in the company (Ndirangu, 2017).

Book keeping: This refers to the scrutiny, categorization as well as record of all transactions of business in the books of accounts (Saleemi., 2008).

Fiscal performance: This is the dimension of how a company has used its resources to make profits. Fiscal performance is generally gauged through the profitability ratios, liquidity ratios, as well as the gearing ratios (Alfred, 2007).

1.11 Conclusion

This chapter began with an introduction outlining the key areas covered, followed by the background to the study, which included historical, theoretical, conceptual, and contextual aspects. It proceeded with the problem statement, purpose of the study, and the objectives. Research questions derived from these objectives were also presented. The scope of the study was defined in terms of content, geography, and time. The chapter concluded with the significance of the research and the operational definitions of key terms.

CHAPTER TWO

LITERATURE REVIEW

2.1 Introduction

This chapter reviews suitable writings from referenced books, journals, magazines, newspapers, reports, theses as well as additional publications. The chapter was organized under sub-sections that consist of the theoretical review and the review of the objectives that is the effect of cash budgeting, cash control and book keeping on the financial performance of agribusiness enterprises. The chapter then finishes with a research gap and summary of literature review.

2.2 Theoretical Review

This study adopted the Free Cash Flow Theory advanced by Jensen (1986) as the theoretical basis for analyzing and understanding cash management practices and financial performance of agri-business enterprises.

The Free Cash Flow Theory

The model states that, administration has the duty of holding money to increase control over it in making investment choices (Jensen, 1986). Once money is freely accessible, investment is made easier by the administrators. The administration should all the time make sure that it capitalizes in the undertakings that maximize the stakeholders' profits. Through holding adequate sum of money, the administration is certain of investment in development schemes owing to the accessibility of finances henceforth better financial performance (Jensen, 1986). Shortage of finances implies that the administration is unable to invest in any venture targeted at improving the wellbeing of the stakeholders. The major limitation of free cash flow theory is that it applies the entire price of capital spending in the retro in which the asset was acquired, instead of spreading it over numerous periods just as the key fiscal statements do. This model was relevant to the current study as helps it the agri-business enterprises in making investment decisions which in turn improves on their financial performance.

2.3 Cash budgeting and financial performance

Cash budget is the utmost important means to plot for and control the money received and disbursements and it supports in the actual operation of any company (Marfo-Yiadom, 2019). A research by Nguyen (2021) observed that majority of corporations prepared their cash budgeting

on a weekly basis largely to plot for scarcities and excesses of money and that they would establish target money balances centered on wants for business deal balances and put its indolent money in cash administration accounts or certificates of deposit.

A research by Uwonda, Okello and Okello (2016) stated that for Small Medium Enterprises to attain their possibilities, they should make money budgets in addition to making business plans, making money flow forecasts, guaranteeing monetary control, interior control system and monitoring their expenditure ways as well as making improvements on their loan policies.

Conventionally, money budgeting is well thought-out to be one of the utmost vital administration gears to drive the corporation, assess its enactment and stimulate its workers (Maritim, 2016). For additional corporations, budgeting procedure has been executed to an actual progressive phase comprising of coordinating, planning, controlling as well as enactment appraisal (Yang, 2020).

An investigation by Qi (2020) recognized that additional official budgeting formation stimulates greater increase of sales proceeds in Small Medium Enterprises, and that vibrant and problematic budgetary goal increases fiscal performance of Small Medium Enterprises. Nonetheless, the research restated that, a greater phase of budgetary intricacy leads to a lesser revenue progress of Small Medium Enterprises whereas more official budgetary control results into a greater progress of revenue in Small Medium Enterprises and that, once implemented by corporations that are medium-sized attain greater revenue progress than corporations that are small.

Maritim (2016) publicized that the practices of budgeting that are mutual amongst the companies in Kenya are budget participation, budget planning, as well as budgetary intricacy amongst profitmaking and industrialized agencies in Kenya and that, worker contribution in the budgeting procedure lead to better attainment in the actual implementation of the plan designed in a specific period of time trailed by budget planning. It was furthermore revealed in the research that, a more official budgeting design stimulates greater progress of sales profits in the government agencies that are profitmaking, more official budgetary control results into a greater progress of revenue in government agencies that are profitmaking and higher participation in budget preparation results into improved management performance.

Birt, Chalmers, Brooks, Byrne & Oliver (2017) elucidated that money budget preparation in a particular enterprise needs comprehensive projection of money received and money payments. It all begins after getting the regular projection of sales returns that might generally result from the support of the marketing and sales unit of a particular enterprise. This projection offers the pertinent data on the assortment parts for all sales transactions that are on credit and monthly money received from sales could be projected. The other money transactions received by the business are then added to money received from sales proceeds to lucid the total money received. Transactions of money expenditures should then be estimated and added up for operational, financing, and venture requirements. Furthermore, the net cash flow is then considered as the total money received subtract total money expenditures. The initial money balance is then added to net money flow in order to reach the concluding money balance. Conservatively, in case the concluding money balance is optimistic, then surplus money might be capitalized in vendible securities. In case the closing money balance is undesirable, then extra funding might be needed (Oliver & English, 2017).

Drury (2018) is of the view that the goal of the money budget is to guarantee that enough money is accessible at all periods to encounter the stages of tasks that are drawn in the numerous budgets. Additionally, he stresses that since money budgeting is substance to ambiguity, it is obligatory to offer for additional than the least sum of money needed to permit for some margin of error in designing.

2.4 Cash control and financial performance

Money control is the broad method and activities of administration as regards to control system of money in a business. A robust control is one with stiff budgetary control over money received, money banked, money cheques and actual control of money balances (money carried down). According to Sharma and Iselin (2020), the main goal of a business is to manage and control its money undertakings in a way so as to have money balance at a least possible level and capitalize extra money in venture opportunities. Instances of processes exemplifying proper money control system is control over money received. This is where the company defends against likely interruptions between receipts and opening of the post for instance, utilizing a viewed mail-box and limiting accessibility to the keys. Control of petty money payments should be planned for, that is to say petty money must be balanced by a different person and the phase and position of

money floats must be put down properly grounded on the requirements of the corporation (Ndirangu, 2017).

Sources of money must openly be underlined and money must be allotted properly, for instance money payments in respect of supply of vital supplies utilized in the schools must be utilized to procure those materials or supplies (Yamoah, 2016). One of an enterprise's most vital financial records is their money account. It is as well the utmost susceptible to fake activities. As result of this, corporations must ensure that sufficient money controls are put in place. Before talking about money control approaches, one needs to first know what is it that makes up the cash account.

The money account comprises of money and money equivalents. Money is fundamentally referred to as cash or something otherwise like coins, bank notes or cash orders that a bank will agree to take as a deposit to an enterprise' account. As well comprised in the classification of money are items named money equivalents. Money equivalents are liquid properties which can be twisted into money in a small retro of time and that cannot be affected by altering interest rates. The greater the liquidity worth of a money equivalent, the faster it can be converted into money. Liquidity is looked at how fast anything can be converted into money (Ayebazibwe, 2017).

A cash account is looked at as the one that can simply drop target to fraudulent activity. It is vital that a corporation puts into place procedures for handling the cash account. There are limited joint aspects of internal control that should be used by all corporations (Margaretha & Adriani, 2019). To start with, there should be a separation of duties. Control of money is a vital portion of an enterprise since it is crucial for good management of money, recording and monitoring of money movement as well as scrutinizing money balance. Money is the utmost significant liquid property of an enterprise. An enterprise's concern cannot thrive and continue without appropriate control over cash.

According to Bhutto et al. (2015), cash in accounting contains coins; currency; deposited navigable tools like cash orders, cheque, and bank drafts; sums in cheques as well as investments accounts and demand credentials of credit. A credential of deposit (CD) is looked at as an interest compartment deposit that can be introverted from a bank at will (demand CD) or at a static date of maturity (time CD). Money only comprises demand CDs that may be introverted

any period minus prior notification. Money does not comprise IOUs, postage prints, notes receivable or time CDs. Ahmad, Ahmad & Abdullah (2018) are of the view that any entity collecting or maintaining cash should ensure that collections are adequately safeguarded.

2.5 Book keeping and financial performance

Proper book keeping plays a vigorous part to a business. For instance, via appropriately kept books, a person is able to discover; what property he holds, what sums he owes and to whom, what income he has made or what loss he has sustained for a given retro and the method in which the income and loss has risen, and the sum of his money or scarcity. The research goes on to elaborate that, in case no records are kept, it will be problematic to discover correct net revenue, and this could result into to levy authorities overvaluing the revenues and therefore a merchant will agonize. Also in nonexistence of good commerce archives, the merchant will get it hard to give in the factual position to the law court in the event of The befits bankrupt. In addition, accurate record keeping aids the merchant in outlining forthcoming policies and plans for the business. Furthermore, this one becomes hard in the event of establishing and fixing the value of an enterprise in the case of disposing of. Finally, despite of the finest recall, it is past the capability of a merchant to recall all the enterprise businesses with previous allusions (Williams et al., 2018).

Discoveries of Abdul-Rahamon and Adejare (2018) on the influence of Accounting Records Keeping on the Performance of the Small Scale Enterprises displayed that there is a sturdy positive correlation between accounting record keeping and performance of small scale enterprises in Nigeria. This indicates that accounting record keeping affects performance of small scale business. Accounting record keeping is vital for making decisions. Enterprise modification and records also help to increase enterprise effectiveness and output for effective business performance. It was also found that accounting records keeping enhances the likelihoods of the enterprise functioning and attaining achievement and providing data to allow the control of money in the enterprise.

A research by Ademola, Samuel & Ifedolapo (2017) on roles of record keeping in the existence and development of small scale enterprises recognized that most of the small scale enterprises do not keep records of their undertakings. To make matters worse, some respondents looked at record keeping as an activity that is time wasting. Several of the them were just operating the

businesses without any concerns to find whether the enterprise is expanding or not. Several small scale entrepreneurs were observed to trust that the enterprise is expanding since there is no indication of failure. On the other hand, the research restated that well-timed and correct records should be preserved by enterprises such that they can attain the aims of been put up. Whatsoever record is reserved in the head remains only for a short time and it is deceptive as it might be easily elapsed in the short retro of time. Abdul-Rahamon and Adejare (2018) also established a sturdy optimistic correlation between accounting records keeping and performance of small scale enterprises and henceforth concluded that accounting records keeping is vital for creating decisions that regularly has an impact on the performance of small scale enterprises.

Okwena, Okioma & Onsongo (2017) looked at the influence of good book keeping practices on the monetary performance viewpoints from small and medium scale enterprises in the Municipality of Kisii. The overall aim of the research was to evaluate the influence of good bookkeeping practices on fiscal performance of SMEs in the Municipality of Kisii to establish the reason of such letdowns. Through using a cross-sectional study research design on a sample of 97 owners of the chosen SMEs, the research established that the main problem SMEs face in keeping record was the tiny awareness in record keeping as well as loss of some business records which aggregate to 86.6%. The study also revealed that 65% of the SMEs presented insufficient book keeping practices. Additionally, the research found that 64% of the fiscal performance of SMEs was failing and worsening. It was also found that most of small and medium scale enterprises utilize sole entry system of book keeping trailed by those that use both sole and dual entry systems of book keeping. The study as well recognized that the methods of book keeping utilized by the SMEs are the physical (manual) book keeping, electronic book keeping as well as virtual book keeping. The research exposed that the fiscal performance has a very sturdy optimistic correlation with efficiency in book keeping.

Ademola, Samuel & Ifedolapo (2018) emphasize that in record keeping, guidelines, schemes, processes, tasks and employees are needed to manage the archives. According to the research, accounting records comprise records from daily dealings of the enterprise for example dealings related to receipts and payments. Archives might comprise a tilt of properties and obligations of an enterprise. Lienert (2019) acknowledged the subsequent as the greatest significant aims to put up a virtuous record administration; to control the formation and development of archives to

lessen operational expenses, increase effectiveness and output, to integrate novel archives administration technologies as well as to guarantee regulatory obedience.

2.6 Literature Gap

The existing literature extensively explores various aspects of cash budgeting, cash control, and bookkeeping, highlighting their significance in enhancing financial performance across different types of businesses, including SMEs. However, several critical gaps remain, particularly concerning agribusiness enterprises in specific geographical contexts like Mbale City, Uganda. For instance, Uwonda, Okello, and Okello (2016) focused on how SMEs can reach their potentials through making money budgets, business plans, money flow forecasts, ensuring budget control, interior control systems, and monitoring their expenditure behaviors, as well as refining their credit policies. Similarly, Abdul-Rahamon and Adejare (2018) examined the impact of accounting records keeping on the performance of small-scale enterprises, while Ademola, Samuel, and Ifedolapo (2017) looked at the role of record keeping in the survival and growth of small-scale enterprises. Okwena, Okioma, and Onsongo (2017) studied the influence of good bookkeeping practices on the financial performance of small and medium-scale business enterprises in Kisii Municipality. Despite these valuable insights, these studies do not specifically address the influence of cash management practices on the financial performance of agribusiness enterprises in Mbale City. There is a notable scarcity of research focused on this area, particularly in Uganda. Furthermore, the few studies conducted in developing countries often have limitations in terms of title, standards, scope, and methods used, resulting in significant gaps in the literature. Additionally, many studies tend to focus on individual elements of cash management practices in isolation, lacking integrated examinations of the combined impact of cash budgeting, cash control, and bookkeeping on financial performance. Therefore, this study aims to fill these gaps by focusing on the influence of cash management practices on the financial performance of agribusiness enterprises in Mbale City, providing a nuanced understanding of how these practices can be optimized to enhance profitability and sales volume in this specific context.

2.7 Conclusion

The literature review indicates that several researchers agree on the impact of cash management practices on financial performance. However, these conclusions will be confirmed or refuted based on the empirical evidence obtained from this research.

CHAPTER THREE

STUDY METHODOLOGY

3.1 Introduction

This part presents how the investigation was conducted. It encompassed study design, study population, sample size, sampling procedures, information collection methods, information gathering tools, quality control, method of information gathering, information analysis, measurement of the variables, moral matters and lastly limitations to the research.

3.2 Study Design

This research implemented a cross-sectional survey research design to examine the effect of cash management practices on the financial performance of agribusiness enterprises in Mbale City. The choice of a cross-sectional design was deliberate for several reasons: A cross-sectional design enables the collection of data at a single point in time, which is essential for capturing the current state of cash management practices and their immediate impact on financial performance. This approach is practical and time-efficient, allowing for a comprehensive snapshot without the need for prolonged data collection periods (Creswell, 2014). Mutually qualitative and quantitative procedures were utilized since they counterpart each other. Qualitative method was chiefly utilized to pronounce personal valuations, explores and explanation of assertiveness, views as well as manners of the participants as uttered from interviews conducted. The quantitative method aided in producing statistical information, that was statistically operated to meet necessary objectives of the study via descriptive statistics in terms of frequencies and percentages. A Pearson's correlation test was conducted to display the correlation amongst the variables of the study. Regression analysis was also carried out to display the effects of the variables (Amin, 2005). The mixture of both qualitative as well as quantitative information permits triangulation through guaranteeing that restrictions from one form of information can be reinforced by the powers of the other.

3.3 Study Populace

The targeted population of the study consist of 250 enterprises under agribusiness in Mbale City as per the information got from the Mbale City Commercial Office Annual Report (2022).

3.4 Sample Size

The investigator targeted a sample of 152 enterprises selected from Agribusiness enterprises in Mbale City as determined through statistical table of Krejcie and Morgan (1970).

Table 3.1.0: Sample size

Classification	Populace	Accessible Sample Proportions	Techniques of Sampling
Agro processing	30	18	Simple random sampling
Agro Chemicals	120	73	Simple random sampling
Agro products	100	61	Simple random sampling
Total	250	152	

Source: Mbale City Commercial Officer (2022)

3.5 Sampling Technique

The researcher utilized purposive and simple random techniques of sampling to choose and get respondents.

Simple random sampling technique was utilized to choose the agribusinesses in Mbale City Industrial area to reply the questionnaires. Simple random sample is a method of probability sample through which the researcher comprehensively picks a subdivision of participants from a populace (Mugenda and Mugenda, 1999). The study utilized this technique of sampling because every participant in this populace had an equivalent chance of been involved in the sample.

Purposive sampling procedure was utilized for qualitative portion of research to pick 6 possessors of the agribusiness enterprises in Mbale City for interviews. 2 possessors were picked from Agro processing, 2 were picked from Agro Chemicals and 2 were picked from Agro products specifically for interviews. Palys (2008) looks at purposive sampling to be the one in which investigator count on his or her own finding when selecting participants of populace to partake in the study. The method was utilized because the respondents were well-informed and had a long understanding in matters related to management of enterprises. Purposive sampling method was also utilized as it is extremely profound henceforth providing firsthand data.

3.6 Data Collection Methods

This research utilized a mixed-method approach to data collection, combining both quantitative and qualitative techniques to ensure a comprehensive analysis. Quantitative data were gathered using structured questionnaires, which were distributed to and filled out by representatives of agribusiness enterprises. These questionnaires were designed to collect numerical data on various aspects of cash management practices and their impact on financial performance, including profitability and sales volume. Qualitative information was collected through key informant interviews with senior management staff of the agribusiness enterprises. These interviews were guided by a semi-structured interview guide, which allowed for in-depth exploration of the participants' experiences and insights regarding cash management practices. The interview guide included open-ended questions aimed at eliciting detailed responses about the strategies, challenges, and outcomes associated with cash budgeting, cash control, and bookkeeping within their enterprises. By integrating these two data collection methods, the study was able to triangulate the findings, enhancing the reliability and validity of the results. The quantitative data provided a broad overview of the trends and patterns in cash management practices, while the qualitative data offered rich, contextual insights that helped to explain and interpret the quantitative findings. This mixed-method approach ensured a more nuanced understanding of how cash management practices influence the financial performance of agribusiness enterprises in Mbale City.

3.7 Information Gathering Instrument

3.7.1 Questionnaire

The questionnaire had both closed and open ended well-thought-out questions connected to the objectives of the study and were dispersed to the participants and then picked afterwards so as to obtain open data. A self-administered questionnaires organized in a likert scale of 1 to 5 was utilized for data collection from participants in the agribusiness enterprises. Questionnaires were employed since they were easy to administer, they offer the participants period and chance to reply to matters in the questions with their understanding and covers a wide range of the study questions (Creswell & Plano-Clark, 2011). The questionnaire method was preferred since it has the benefit of stimulating a lot of data in a short period of time, providing significant info and being a lesser costly technique. It is as well good for privacy purposes.

3.7.2 Interview Guide

Interview guide was semi-structured. The investigator followed in-depth info about the topic. Interview guides was expedient as supplement to certain respondents to questionnaires for instance, to additionally explore their replies. The study utilized face to face conversation with questions that were open ended and replies were written down so as to acquire truths via scrutinizing as well as expounding the interrogations that helped investigator acquire suitable answers and attain research goals (Mugenda & Mugenda, 1999). Information got by meetings was utilized to upkeep the info got by questionnaires to permit the investigator emanate up with a widespread information. The researcher also utilized interview as it is extremely sensitive henceforth giving direct information.

3.8 Legitimacy and Consistency

In an effort to ensure that excellence and pertinent information was gathered, the study instrument was verified for legitimacy and consistency as follows;

3.8.1 Legitimacy

Legitimacy was guaranteed by pre testing research instruments after which content legitimacy was utilized to establish the degree to which the content of the tool agrees to the concept designed to measure. Content validity was premeditated with the formula below;

$$CVI = \frac{\text{No. of items rated relevant}}{\text{Total number of items in the questionnaire}}$$

$$CVI = \frac{19}{23}$$

$$CVI = 0.826$$

$$CVI = 0.826$$

According to Kathuri and Palls (1994), a content validity index of 0.7 is considered to be valid and qualifies the instrument for the study. Hence, the results above confirm that the tool was valid.

3.8.2 Consistency

To guarantee correctness, constancy and fullness, consistency of the tool was measured using Cronbach's Alpha coefficient of 0.7 and above (Cronbach, 1951).

Table 3.2 Tool for consistency test

Variables	Cronbach Alpha Coefficient
Cash budgeting	0.778
Cash control	0.756
Book keeping	0.723
Profitability	0.742

Source: Primary Data 2023

The results from table 3.2 above show that Cronbach's alpha for all the variables under study were higher than 0.7. Hence, the results above confirm that the internal consistency of the instruments was not violated.

3.9 Process of Data Gathering

Once endorsement of the study proposal was done by the University, the investigator acquired an introductory document from department of Business and management of Uganda Christian University, Mbale University College to start data collection in the field. The procedure begun with the delivery of questionnaires together with the introductory letter to the participants who later filled in and reimbursed the questionnaires. The investigator also slated arrangements with key informants for interview.

3.10 Measurement of the Variables

Cash management practices as the independent variable was measured in terms of cash budgeting, cash control and book keeping and financial performance, the dependent variable was measured in terms of profitability and sales volume. The variables were gauged with ordinal forms of dimensions. The questionnaires explicitly for participants was gauged on a five interval Likert Gauge, the degree of agreement was graded as 5= strongly agree; 4= agree; 3=not sure; 2=disagree; and 1=strongly disagree. Ordinal Gauge as dimension of variables never simply classify the components gauged but likewise graded them into some sequence. So, the statistics in ordinal gauge signified comparative sequence amongst the variables.

3.11 Data Analysis

The data was analyzed both quantitatively and qualitatively as seen below;

3.11.1 Quantitative Data Analysis

Analysis was steered in line with the aims of the research. Information collected was processed as well as analyzed by means of Statistical Package for Social Sciences (SPSS) version 20. Summary of the digits was run in a way of frequencies and percentages and then interpreted. Regression analysis was also carried out to display the effects of the variables.

3.11.2 Qualitative Data Analysis

Qualitative data was analyzed in terms of content analysis. Under content analysis, verbal data was characterized to classify information. All the qualitative information gathered from main informant interviews were abridged on a nonstop basis to guarantee comprehensiveness and put into meaningful and exhaustive categories basing on the emergent variables from every query in the discussion guide. Qualitative results were described according to people's responses.

3.12 Ethical Issues

Ethical considerations were paramount throughout the study to ensure integrity, respect for participants, and compliance with ethical standards. Before conducting the study, the investigator obtained consent from relevant authorities and management of the agribusiness enterprises involved. This step was crucial in securing formal approval to proceed with data collection and ensuring adherence to institutional and legal guidelines.

The investigator presented an introduction letter to these authorities, explaining the study's objectives, significance, and methodologies. This letter served as an official request for cooperation and access to necessary data. By clearly outlining the purpose and scope of the research, the investigator established transparency and built trust with the authorities and participants.

In addition to institutional consent, informed consent was obtained from all participants involved in the study. This process involved informing participants about the study's purpose, procedures, potential risks, and benefits. Participants were assured that their participation was voluntary and that they could withdraw from the study at any time without any negative consequences.

The researcher also guaranteed the privacy and confidentiality of the data collected. Participants' identities were protected by assigning unique codes to their responses, and any identifying

information was removed from the data set. Data was stored securely, accessible only to the research team, and used solely for the purposes of this study.

To further ensure ethical compliance, the researcher adhered to the principles of honesty, integrity, and respect throughout the study. Participants were treated with dignity, and their views and contributions were valued and respected. The researcher also ensured that the findings were reported accurately and without bias, maintaining the credibility and reliability of the research.

3.13 Limitations to the Study

Centering on the discoveries and exploration outcomes, the present study had some little limitations. The research implemented a cross sectional survey design, that is completed once, which means there is no any follow up study in forthcoming that could aid establish the sustainability of the study outcomes from the partakers that the investigator contemplates would have been worthy as it can assist the comparison of the study findings and have objective understanding of the trends.

Secondly, the study only focused on one city thus limiting its ability to be inferred to other cities. It is important that other future studies explore more cities and extend to other geographical areas for better understanding of the relationship between the two variables.

3.14 Conclusion

This chapter introduced and explained the methodological aspects followed in conducting the research. It covered the research design, specifically the use of a cross-sectional design, the study population, sample size, and sampling techniques employed. Additionally, it detailed the data collection methods and instruments used, quality control of the instruments, data collection procedures, data analysis methods, measurement of variables, ethical considerations, and limitations of the study. This set the foundation for Chapter Four, which deals with the analysis, interpretation, and discussion of the study results.

CHAPTER FOUR

ANALYSIS, PRESENTATION AND INTERPRETATION OF THE FINDINGS

4.1 Introduction

This part deals with the presentation, analysis as well as clarification of the research findings. First, the part presents the reply rate. Second, the chapter presents characteristic of respondents. Third, the chapter presents descriptive statistical results followed by correlation analysis and regression analysis.

4.2 Response Rate of the Respondents

The study sought a sample of 152 respondents and consequently issued the same number of questionnaires. However, 145 questionnaires of the total number issued were returned as fully answered and complete. This represents a percentage response rate of 95.4%.

Table 4.1: Response rate

	Number of respondents	Percentage rate
Expected number of respondents	152	100%
Actual number of respondents	145	95.4%
Questionnaires not returned	7	4.6%

Source: Primary Data 2023

From table 4.1 above, the percentage of response rate of the study was 95.4%. Much as it was less than 100%, the researcher believes it was a very good representation for the study because the majority of the responses captured the required data for the study. A study's reply rate is seen as a vital pointer of study quality since according to Babbie (1990); Rea and Parker (1997); and Aday (1996), greater reply rates guarantee more correct study results. With a general response rate of 95.4%, it suggests that the quality of the study was very good (Rea and Parker, 1997). The difference in the reply rate amongst the respondents was owing to diverse motives reliant on the classification of respondents. For example, some respondents were rather busy and consequently, hard to access whereas others were not so busy and so were accessed easily.

4.3 Background Characteristics of Respondents

Background data was collected regarding gender, age, level of education, experience in running the enterprise as well as the nature of business. The Table below gives the details indicating the descriptive statistics for the different background characteristics.

Table 4.2: Background physiognomies of participants

Physiognomies	Category	Frequency	Percentage
Gender	Male	98	67.6
	Female	47	32.4
	Total	145	100.0
Age	15-19	9	6.2
	20-24	21	14.5
	25-29	18	12.4
	30-34	41	28.3
	35-39	12	8.3
	40-44	25	17.2
	45 and above	19	13.1
	Total	145	100.0
Education level	PLE	13	9.0
	O-Level	43	29.7
	A-Level	31	21.3
	Tertiary/University	54	37.2
	Others	4	2.8
	Total	145	100.0
Experience in running the enterprise	Less than a year	11	7.6
	1 to 3 years	30	20.7
	4 to 6 years	41	28.3
	7 to 9 years	33	22.7
	Above 10 years	30	20.7
	Total	145	100.0
The nature of business	Agro processing	56	38.6
	Agro Chemicals	24	16.6

	Agro products	58	40.0
	Other	7	4.8
	Aggregate	145.0	100.0

Source: Primary Data 2023

The above table 4.2 indicates that most of study partakers 67.6% were male and 32.4% were female. This implies that males were more than females, meaning most agri-business enterprises in Mbale City are managed by males since they were the majority.

Table 4.2 displays that 28.3% representing most of the partakers were between the age of 30 and 34, 17.2% were between 40 and 44, 14.5% were between 20 and 24, 13.1% were 45 years and above, 12.4% were between 25 and 29, 8.3% were between 35 and 39 while only 6.2% were between the age of 15 and 19 years. This implies that most respondents were between the age of 30 and 34, meaning that most agri-business enterprises in Mbale City are mostly managed by this age group since they were the majority. This also shows that the respondents were mature enough to understand the purpose of the study.

The above table 4.2 also shows that majority of the respondents 37.2% attained Tertiary/University education, 29.7% attained O-Level, 21.3% attained A-Level, 9.0% attained PLE, while only 2.8% attained other levels of education. This implies that most of the respondents attained Tertiary/University education while only few attained other levels of education. This means that most of the respondents were knowledgeable enough to avail the necessary information for the study.

The above table 4.2 shows that most of the respondents 28.3% have between 4 and 6 years' experience in running the enterprise, followed by those who have between 7 and 9 years' experience in running the enterprise 22.7%, 20.7% have between 1 and 3 years' experience, 20.7% have 10 years and above experience, whereas only 7.6% have spent less than a year with the enterprise. This denotes that most respondents have spent more than 1 year with the enterprise meaning that the respondents have ample experience with cash management practices, and they were capable to give precise info required by the researcher to complete the study.

Table 4.2 further reveals that most of the respondents 40.0% were operating Agro products enterprises, followed by those operating Agro processing enterprises 38.6%, 16.6% were operating Agro Chemicals enterprises whereas only 4.8% of the respondents were operating other forms of agribusiness enterprises. This signifies that most respondents were operating directly in agribusiness enterprises and henceforth able to avail the required data for the study in relation to money administration practices and fiscal performance of agribusiness enterprises in Mbale City.

4.4 Descriptive Statistics

This sections entail descriptive statistics of the variables beneath study. The variables of the research with computed descriptive statistics comprised; cash budgeting, cash control, book keeping and financial performance of agribusiness enterprises included in the study.

4.4.1 Cash budgeting

The partakers were questioned to retort to a number of statements concerning cash budgeting by showing their level of agreement using a five point Likert gauge of 1=strongly disagreed; 2=disagreed; 3=not sure; 4=agreed; and 5=strongly agreed. Responses are summarized in the Table 4.3 below.

Table 4.3: Descriptive data on money budgeting

	Minimum	Maximum	Mean	Standard Deviation
You set cash budgets to enhance control of cash in this business	1.00	5.00	3.85	1.108
Your enterprise is able to make cash flow forecast through cash budgeting	1.00	5.00	3.88	1.216
Through cash budgeting, your able to control the spending habits	1.00	5.00	3.84	1.005
Cash budgeting aids effective operation of our enterprise	1.00	5.00	3.99	.886
Cash budgeting helps to promote higher growth of sales revenues	1.00	5.00	4.04	.919
Cash budgeting ensures that ample money is accessible at all times to meet the stages of operations in our enterprise	1.00	5.00	4.30	.828
Your enterprise is able to monitor cash outflow on a regular basis	1.00	5.00	3.66	1.209
Average			3.94	1.024
Valid N (listwise)	145			

Source: Primary Data 2023

Findings from table 4.3 indicate that the average mean value is 3.94, which means that more than average of the partakers approved that cash budgeting has an effect on the fiscal performance of agribusiness enterprises. The average standard deviation value is 1.024, which indicates that some respondents had variation on the assertion that money budgeting has an influence on the fiscal performance of agribusiness enterprises.

Findings from table 4.3 revealed that agribusiness enterprises set cash budgets to enhance control of cash in their business. This is shown by the mean of 3.85. On the other hand, the corresponding standard deviation of 1.108 submits that some partakers had disparity in replies regarding the claim that agribusiness enterprises set cash budgets to enhance control of cash in their business.

From table 4.3 above, respondents believe that their enterprise is able to make cash flow forecast through cash budgeting. This is revealed via a mean value of 3.88. This implies that most of the partakers sturdily agreed that their enterprise is capable to make cash flow forecast through cash budgeting. Though, a standard deviation value of 1.216 under the equivalent test exposed diverse replies from some partakers interrogated over the same test.

From table 4.3, it can be revealed that through cash budgeting, agribusiness enterprises are able to control the spending habits. This is shown by mean figure of 3.84, implying that, to a bigger degree, the respondents agreed that through cash budgeting, they are able to control the spending habits despite the standard deviation rate of 1.005 which reveals diverse replies from some partakers. In support of the above findings, some of the respondents interviewed asserted that;

“Cash budgeting has helped to regulate the spending habits of my business since money is always allocated to strictly on budgeted items”

“Cash budgeting has enabled me to control unnecessary spending in my business since I am able to appropriate money according to the list of items in the budget.

From table 4.3 above, it is crystal clear that cash budgeting aids effective operation of the agribusiness enterprises. This is shown through mean figure of 3.99. Nevertheless, a standard

deviation of 0.886 discloses diverse answers from some participants questioned on the same quiz.

Discoveries in table 4.3 above disclosed that a bigger number of the participants strongly agreed that cash budgeting helps to promote higher growth of sales revenues as presented by a mean value of 4.04. This implies that cash budgeting helps to promote higher growth of sales revenues in agribusiness enterprises. However, a significant standard deviation of 0.919 shows variant in responses as far as cash budgeting helping to promote higher growth of sales revenues in agribusiness enterprises is concerned.

Outcomes in table 4.3 indicates that quite a big number of the partakers strongly agreed that cash budgeting ensures that ample money is accessible at all times to meet the stages of operations in their enterprise as shown by a mean figure of 4.30. Nonetheless, a significant standard deviation value of .828 submits various responses from some respondents as far as this test was concerned.

Findings from table 4.3 show a mean value of 3.66 which means that most of the respondents agreed to a bigger extent that their enterprise is able to monitor cash outflow on a regular basis. However, a standard deviation of 1.209 reveals variations regarding the claim that agribusiness enterprises are able to monitor cash outflow on a regular basis.

4.4.2 Cash control

The partakers were questioned to answer a number of assertions regarding cash control. The outcomes are summarized in Table 4.4 below;

Table 4.4: Descriptive statistics on cash control

	Minimum	Maximum	Mean	Std. Deviation
Cash payments are made only with proper authorization	1.00	5.00	3.73	1.082
Cash available is under safe custody with only authorized access	1.00	5.00	3.88	1.195
Cash payments are made only on budgeted activities	1.00	5.00	4.01	.909
All cash collections are banked on daily basis to ensure cash safety	1.00	5.00	3.57	1.046
You have set a minimum cash balance that the business must be holding at all times	1.00	5.00	3.56	1.092
Internal controls over cash are always followed for any cash related transactions	1.00	5.00	3.83	1.106
Average			3.76	1.072
Valid N (listwise)	145			

Source: Primary Data 2023

Table 4.4 indicates that the average mean value is 3.76, which indicates that more than average of the participants agreed that cash control has effect on the fiscal performance of agribusiness enterprises in Mbale City. The average standard deviation value is 1.072, which indicates that some respondents had variation in responses regarding the claim that money control has effect on the financial performance of agribusiness enterprises in Mbale City.

From table 4.4, it can be revealed that cash payments are made only with proper authorization. This is exposed by mean figure of 3.73, though standard deviation figure of 1.082 exposed diverse replies from the partakers. This implies that cash payments in most agribusiness enterprises are made only with proper authorization since majority of the respondents were in agreement with the claim.

From table 4.4, to a greater extent respondents agreed that cash available is under safe custody with only authorized access. This is shown via a mean figure of 3.88, though a standard deviation of 1.195 on the same quiz exposed deviations in replies made.

Study findings reveal that respondents agreed to a larger extent that cash payments are made only on budgeted activities. This is shown via a mean figure of 4.01, although significant standard deviation value of 0.909 suggested a variant in the answers made for the test.

Table 4.4 reveals that majority of the respondents agreed that all cash collections are banked on daily basis to ensure cash safety as shown by mean figure of 3.57, though standard deviation value of 1.046 discloses diverse replies from the participants interviewed.

Findings in table 4.4 suggest that to a greater extent, respondents agreed that they have set a minimum cash balance that the business must be holding at all times. This is shown by mean value of 3.56. Conversely, a standard deviation value of 1.092 submits varied responses on the question.

Findings from table 4.4 further discovered that most of the respondents agreed that internal controls over cash are always followed for any cash related transactions as reflected via a mean value of 3.83. Conversely, a standard deviation figure of 1.106 discloses a variant in the replies of the participants.

4.4.3 Book keeping

The participants were tested to reply to a number of assertions about book keeping. The answers are summarized in Table 4.5 below;

Table 4.5: Descriptive statistics on book keeping

	Minimum	Maximum	Mean	Std. Deviation
Relevant transactions concerning the business are always recorded	1.00	5.00	4.06	1.033
You have a clear record of all cash payments for the business	1.00	5.00	3.86	.723
All sales are recorded promptly whether on credit or cash basis	1.00	5.00	4.03	.989
Invoices of all transactions are filed and kept safely.	1.00	5.00	3.72	1.115
You prepare accounts such as income statement to know how the business performing.	1.00	5.00	3.22	1.249
Keeping of proper records helps your enterprise in framing future business plans.	1.00	5.00	3.79	1.197
Average			3.78	1.051
Valid N (listwise)	145			

Source: Primary Data 2023

Table 4.5 indicates that the average mean value is 3.78, which indicates that more than average of the participants agreed that book keeping has an effect on the fiscal performance of agribusiness enterprises. The average standard deviation value is 1.051, which indicates that respondents had variation in responses regarding the claim that book keeping has an effect on the financial performance of agribusiness enterprises.

Findings from 4.5 reveals that majority of the respondents strongly agreed that relevant transactions concerning the business are always recorded. This is shown via a mean figure of 4.06. Nonetheless, a standard deviation figure of 1.033 under the same question displayed diverse answers from the participants questioned. This implies that relevant transactions concerning the business are always recorded by agribusiness enterprises since majority of the respondents were in agreement with the claim. To support the above findings, some of the respondents interviewed stated that;

“All transactions in my business such as cash received, cash paid, number of items purchased and number of items sold are always recorded in the ledger books for proper record purposes”

“In my business, I take record of all the transactions that take place like the list of items bought, items sold, list of debtors and creditors. In this way, I am able to monitor the performance of my business closely”

“For me I always make sure that every transaction in my business is recorded such that I am able to have the clear picture of how my business is performing”

From table 4.5, it can be revealed that agribusiness enterprises have a clear record of all cash payments for the business. This is displayed via a mean figure of 3.86, though a standard deviation figure of 0.723 on the same question displayed diverse answers from the partakers.

From table 4.5, it is revealed that majority of the participants strongly agreed that all sales are recorded promptly whether on credit or cash basis. This is indicated via a mean figure of 4.03, though a significant standard deviation figure of 0.989 on the same question shows a variation in replies generated. To support the above findings, some of the respondents interviewed stated that;

“I always keep proper records of all the good sold on cash and credit in my businesses. This has helped me to easily track the performance of my businesses and I am also able to track the debtors”

“In my business, I take records of every item that is sold whether of cash or credit and this makes it easy for me the know my debtors and do prompt follow up to recover the money of items sold on credit”

“I usually make sure that the information of all the items sold in my business are recorded. In this way, I am able to take a close look at how my business is performing”

From Table 4.5, most of the respondents agreed that Invoices of all transactions are filed and kept safely. This is shown via mean figure of 3.72. Nevertheless, a standard deviation figure of 1.115 submits a variant in the replies made by the participants.

From table 4.5, it can be revealed that agribusiness enterprises prepare accounts such as income statement to know how the business is performing. This is displayed through a mean figure of 3.22. But, the standard deviation figure of 1.249 on the same assertion shows diverse replies from the partakers questioned. This implies that agribusiness enterprises prepare accounts such as income statement to know how the business is performing since most of the respondents were in line with the claim.

Findings from 4.5 reveals that majority of the respondents agreed that keeping of proper records helps their enterprise in framing future business plans. This is shown through a mean figure of 3.79. Nonetheless, the standard deviation figure of 1.197 on the same question displayed diverse replies from the participants quizzed. This implies that keeping of proper records helps agribusiness enterprises in framing future business plans since majority of the respondents were in agreement with the claim.

4.4.4 Financial performance

The participants were questioned to reply to a number of assertions about financial performance of agribusiness enterprises. The findings are summarized in Table 4.6 below;

Table 4.6; Descriptive statistics on financial performance

	Minimum	Maximum	Mean	Std. Deviation
The business always attains the planned profits during the year	1.00	5.00	3.56	1.290
The business records the revenue that exceeds the operational cost	1.00	5.00	4.12	.975
The revenue for this business has been growing over the past periods	1.00	5.00	3.39	1.168
The profits of this business has increased over time	1.00	5.00	4.02	.886
Average			3.77	1.079
Valid N (listwise)	145			

Source: Primary Data 2023

Table 4.6 shows that the average mean value is 3.77, which shows that more than average of the respondents agreed that there is financial performance of agribusiness enterprises as a result of cash management practices. The average standard deviation value is 1.079, which indicates that some respondents had variation in responses regarding the claim that there is financial performance of agribusiness enterprises as a result of cash management practices.

Findings from 4.6 reveals that majority of the respondents agreed that their business always attains the planned profits during the year. This is shown through a mean figure of 3.56. Nonetheless, a standard deviation figure of 1.290 on the same question disclosed diverse replies from the participants interrogated. This implies that agribusiness enterprises always attain the planned profits during the year as a result of cash management practices like cash budgeting, control and book keeping.

From table 4.6, it can be revealed that most participants strongly agreed that their business records the revenue that exceeds the operational cost. This is disclosed through a mean figure of 4.12, though a significant standard deviation figure of 0.975 on the same assertion shows a variant in replies generated.

Table 4.6 clearly displays that most of the respondents agreed that the revenue for their business has been growing over the past periods. This is shown via a mean figure of 3.39. Nevertheless, a standard deviation figure of 1.168 submits a variant in replies made by the participants. In support of the above findings, some of the respondents interviewed had this to say;

“The revenues of my enterprise have been increasing over the years due to proper cash management practices put in place and this has greatly improved the financial performance of my enterprise”

“The good cash management practices in my business has enabled me to realize increased revenues over time”

“For sure ever since I started managing my cash well and minimizing on the unnecessary expenditures, the revenues of my business have been growing and increasing steadily”

From table 4.6, it can be revealed that the profits of agribusiness enterprises have increased over time. This is disclosed via a mean figure of 4.02. But, a significant standard deviation figure of

0.886 on the same assertion shows diverse answers from the participants questioned. This implies that the profits of agribusiness enterprises have increased over time as result of cash management practices since most of the respondents were in line with the claim. In support of the above findings, some of the respondents interviewed had this to say;

“Proper cash management practices have made my business to realize increased profits over time and with the increased profits, I am able to expand on my business”

“From the time I introduced cash management practices in my business, I am able to minimize on costs and this has increased the profitability of business over the past years”

“With good cash management practices put in my business, the profits of my business have been increasing since I am able to minimize costs and seal every loophole that has been taking place in my business”

4.5 Regression Analysis

This research was directed by three particular objectives. In order to establish the effect of each dimensions of money administration practices independently on fiscal performance of the agribusiness enterprises in Mbale City, a regression analysis was run for each specific objective. The findings are as presented below:

4.5.1 The effect of cash budgeting on fiscal performance

Regression analysis was undertaken to conclude the effect of money budgeting on fiscal performance of agribusiness enterprises in Mbale City and the results are provided in Tables 4.7; 4.8; and 4.9 below;

Table 4.7: Regression Model Summary for cash budgeting and financial performance

Model Summary				
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.318 ^a	.101	.095	.46739
a. Predictors: (Constant), Cash Budgeting				

Source: Primary Data 2023

Table 4.7 revealed that cash budgeting accounts significantly for variation in financial performance ($r^2=0.101$). This means that holding other factors constant, cash budgeting explains 10.1% of the variations in financial performance of agribusiness enterprises in Mbale City.

Table 4.8: ANOVA for money budgeting and fiscal performance

ANOVA ^a						
Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	3.519	1	3.519	16.110	.000 ^b
	Residual	31.239	143	.218		
	Total	34.759	144			
a. Dependent Variable: Fiscal Performance						
b. Predictors: (Constant), Money Budgeting						

Source: Primary Data 2023

Table 4.8 displays the summary ANOVA and F statistic that discloses the figure of $F=16.110$ is significant at .000 confidence level. The figure of F is big sufficient to determine that cash budgeting is a major factor influencing financial performance of agribusiness enterprises in Mbale City.

Table 4.9: Regression coefficients for cash budgeting and financial performance

Coefficients ^a						
Model		Unstandardized Coefficients		Standardized Coefficients	T	Sig.
		B	Std. Error	Beta		
1	(Constant)	2.501	.214		11.704	.000
	Cash Budgeting	.274	.068	.318	4.014	.000
a. Dependent Variable: Financial Performance						

Source: Primary Data 2023

Table 4.9 showed that cash budgeting significantly predicts financial performance (Beta=.318, $p=.000$). This means that cash budgeting increases financial performance of agribusiness enterprises in Mbale City by 31.8%.

4.5.2 The effect of cash control on financial performance

Regression analysis was undertaken to find out the influence of money control on fiscal performance of agribusiness enterprises in Mbale City and the outcomes are provided in Tables 4.10; 4.11; and 4.12 below;

Table 4.10: Regression Model Summary for cash control and financial performance

Model Summary				
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.349 ^a	.122	.116	.46204

a. Predictors: (Constant), Cash Control

Source: Primary Data 2023

Table 4.10 indicates that cash control accounts significantly for variation in financial performance ($r^2=0.122$). This means that holding other factors constant, cash control explains 12.2% of the variations in financial performance of agribusiness enterprises in Mbale City.

Table 4.11: ANOVA for money control and fiscal performance

ANOVA ^a						
Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	4.231	1	4.231	19.819	.000 ^b
	Residual	30.528	143	.213		
	Total	34.759	144			

a. Dependent Variable: Fiscal Performance
b. Predictors: (Constant), Money Control

Source: Primary Data 2023

Table 4.11 indicates the ANOVA summary and F statistic that discloses the figure of F=19.819 is significant at .000 confidence level. The figure of F is big sufficient to determine that cash control is a major factor influencing financial performance of agribusiness enterprises in Mbale City.

Table 4.12: Regression coefficients for cash control and financial performance

Coefficients ^a				
Model	Unstandardized Coefficients	Standardized Coefficients	T	Sig.

		B	Std. Error	Beta		
1	(Constant)	2.485	.197		12.617	.000
	Cash Control	.250	.056	.349	4.452	.000

a. Dependent Variable: Financial Performance

Source: Primary Data 2023

Table 4.12 revealed that money control significantly predicts fiscal performance (Beta=0.349, p=.000). This implies that money control increases financial performance of agribusiness enterprises in Mbale City by 34.9%.

4.5.3 The effect of book keeping on financial performance

Regression analysis was undertaken to find out the influence of book keeping on financial performance of agribusiness enterprises in Mbale City and the findings are provided in Tables 4.13; 4.14; and 4.15 below;

Table 4.13: Regression Model Summary for book keeping and financial performance

Model Summary				
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.299 ^a	.090	.083	.47043

a. Predictors: (Constant), Book Keeping

Source: Primary Data 2023

Table 4.13 indicates that book keeping accounts significantly for variation in financial performance ($r^2=0.090$). This means that holding other factors constant, book keeping explains 9% of the variations in financial performance of agribusiness enterprises in Mbale City.

Table 4.14: ANOVA for book keeping and fiscal performance

ANOVA ^a						
Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	3.113	1	3.113	14.065	.000 ^b
	Residual	31.646	143	.221		
	Total	34.759	144			

a. Dependent Variable: Fiscal Performance

b. Predictors: (Constant), Book Keeping

Source: Primary Data 2023

Table 4.14 indicates the ANOVA summary and F statistic that discloses the figure of $F=14.065$ is significant at .000 confidence level. The figure of F is big enough to determine that book keeping is a major factor influencing financial performance of agribusiness enterprises in Mbale City.

Table 4.15: Regression coefficients for book keeping and financial performance

Coefficients ^a						
Model		Unstandardized Coefficients		Standardized Coefficients	T	Sig.
		B	Std. Error	Beta		
1	(Constant)	2.614	.199		13.156	.000
	Book Keeping	.224	.060	.299	3.750	.000

a. Dependent Variable: Financial Performance

Source: Primary Data 2023

Table 4.15 revealed that book keeping significantly predicts financial performance (Beta=0.299, $p=.000$). This means that book keeping increases financial performance of agribusiness enterprises in Mbale City by 29.9%.

4.5.4 Multiple Regression Analysis

Table 4.16: Multiple Regression Analysis

Coefficients ^a						
Model		Unstandardized Coefficients		Standardized Coefficients	T	Sig.
		B	Std. Error	Beta		
1	(Constant)	1.094	.302		3.624	.000
	Cash Budgeting	.250	.063	.290	3.972	.000
	Cash Control	.202	.052	.283	3.885	.000
	Book Keeping	.241	.054	.322	4.498	.000

a. Dependent Variable: Financial Performance

Source: Primary Data 2023

From table 4.16, the findings of the study indicate that Book keeping was the strongest predictor of financial performance of agribusiness enterprises (beta=0.322 and $p=0.000$). This indicates

that effective bookkeeping practices lead to a 32.2% increase in the financial performance of agribusiness enterprises. Bookkeeping encompasses systematic recording, storing, and retrieving of financial transactions, which enhances transparency, accountability, and accuracy in financial reporting. These attributes are crucial for decision-making and overall financial health of enterprises.

Cash budgeting was the second strongest predictor of financial performance of agribusiness enterprises ($\beta=0.290$ and $p=0.000$). This suggests that implementing cash budgeting practices can improve financial performance by 29%. Cash budgeting involves forecasting and planning for future cash flows, ensuring that the enterprise can meet its obligations and manage liquidity effectively. By anticipating future financial needs and constraints, agribusinesses can optimize their cash resources, reduce financial risks, and allocate funds more efficiently to various operations and investments.

Cash control was the least predictor of financial performance of agribusiness enterprises ($\beta = 0.283$ and $p=0.000$). This means that cash control increases financial performance of agribusiness enterprises by 28.3%. Cash control includes mechanisms and policies to monitor and regulate cash inflows and outflows, preventing fraud and ensuring that cash is used appropriately. Effective cash control helps in maintaining sufficient cash reserves, enhancing operational stability, and fostering trust among stakeholders.

4.6 Conclusion

This chapter began with an introduction outlining the key areas covered in the study. It proceeded with an examination of the response rate and the background characteristics of the respondents. Following this, the chapter presented descriptive statistics related to the study's objectives. Finally, it concluded with an analysis of the regression results.

CHAPTER FIVE

DISCUSSION OF THE FINDINGS

5.1 Introduction

This part presents discussion of discoveries of the research. The discussion of the discoveries was based on research objectives; to determine the effect of money budgeting on fiscal performance, to establish the influence of cash control on fiscal performance and to determine the effect of book keeping on fiscal performance of agribusiness enterprises in Mbale City.

5.2 Money budgeting and fiscal performance

Findings revealed that the level of cash budgeting was found to be high. It was also in the Regression Model Summary that cash budgeting accounts significantly for variation in financial performance. The ANOVA reveals that cash budgeting is a major factor influencing financial performance of agribusiness enterprises in Mbale City. In addition, Regression coefficients revealed that cash budgeting was a strong predictor of fiscal performance of agribusiness enterprises. The above discoveries are in line with Maritim (2016) who established that cash budgeting is deliberated to be one of the most vital administration gears to drive the enterprise and assess its performance. Maritim (2016) also revealed that the budgeting practices promotes greater progress of sales returns in the parastatals, more formal budgetary control results into a greater progress of profit in parastatals and better budgetary participation results into improved management performance. The above findings are also in line with Drury (2018) who emphasized that the aim of money budget is to make sure that adequate money is accessible at all times to meet the stages of operations that are drawn in the numerous budgets. The above findings are also in agreement with Qi (2020) who established that formal budget planning promotes better progression of sales revenues in SMEs. The above findings are also in line with Marfo-Yiadom (2019) who stated that money budget is the greatest important tool to plan and control the money received and disbursements and it aids in the actual operation of any business. In addition, Jensen (1986) also emphasized that through holding adequate amount of money, the administration is certain of venture in development projects owing to the accessibility of money hence better fiscal performance. Uwonda, Okello and Okello (2016) also echoed that for SMEs to stretch their capabilities, they should make money budgets in addition to making money flow forecasts. Finally, Birt et al. (2017) clarified that the making of money budget in a set business needs a comprehensive projection of money received and money payments.

5.3 Cash control and financial performance

The study found that the level of cash control was found to be high. The Regression Model Summary indicates that cash control accounts significantly for variation in financial performance. The ANOVA reveals that cash control is a major factor influencing financial performance of agribusiness enterprises in Mbale City. In addition, the Regression coefficients revealed that cash control was a strong predictor of financial performance. The above findings are in line with Yamoah (2016) who established that bases of money must be evidently underlined and money payments must be allotted consequently. According to Sharma and Iselin (2020), an evident aim of a business is to control and manage its money matters in such a way so as to safeguard money against possible interceptions by restricting access to the keys. The above findings also rhythm with Margaretha & Adriani (2019) who observed that there are a few common aspects of internal controls over cash that should be used by all companies. The above findings are also in line with Ahmad & Abdullah (2018) who revealed that any unit collecting or maintaining cash needs to issue cash payments with proper authorization.

5.4 Book keeping and financial performance

Findings indicated that the level of book keeping was found to high. The Regression Model Summary indicates that book keeping accounts significantly for variation in financial performance. The ANOVA reveals that book keeping is a major factor influencing financial performance of agribusiness enterprises in Mbale City. In addition, The Regression coefficients indicated that book keeping was a strong predictor of financial performance. The above findings seem to be in agreement with Abdul-Rahamon and Adejare (2018) who showed a sturdy optimistic correlation amongst bookkeeping and recital of small and medium scale enterprises. The above findings are also in line with Ademola, Samuel & Ifedolapo (2018) who assert that bookkeeping contain entries from daily dealings of business for example dealings in respect to receipts and expenditure. The above findings are also in agreement with Williams et al. (2018) who established that via proper bookkeeping, a person can easily determine the money he owes and to whom, the profits made and losses sustained for a set period and the way through which the profit and loss has risen, and the amount of his deficiency or capital. Williams et al. (2018) also established that keeping of proper records helps the trader in framing future business plans and policies.

5.5 Conclusion

This chapter presented a discussion of the research findings based on the objectives of the study: determining the effect of money budgeting on fiscal performance, establishing the influence of cash control on fiscal performance, and determining the effect of bookkeeping on fiscal performance of agribusiness enterprises in Mbale City.

CHAPTER SIX

CONCLUSIONS AND RECOMMENDATIONS

6.1 Introduction

This part presents conclusions and recommendations based on the study discoveries. The conclusions and recommendations were drawn following the empirical research objectives and questions.

6.2 Conclusions

This section shows conclusions of the findings in accordance with research objectives and questions.

6.2.1 Money budgeting and fiscal performance

The findings of the research revealed cash budgeting was the second strongest predictor of financial performance of agribusiness enterprises in Mbale City. It can be determined that money budgeting has a sturdy influence on the fiscal performance of agribusiness enterprises in Mbale City.

6.2.2 Cash control and financial performance

The study found that cash control was the strongest predictor of financial performance of agribusiness enterprises in Mbale City. It can be concluded that money control has a very strong effect on the fiscal performance of agribusiness enterprises in Mbale City.

6.2.3 Book keeping and financial performance

Findings indicated that Book keeping was the least strong predictor of financial performance of agribusiness enterprises in Mbale City. It can be concluded that book keeping has a strong influence on the financial performance of agribusiness enterprises in Mbale City.

6.3 Recommendations

The study recommends that agribusiness enterprises ensure that all business transactions are accurately recorded in ledger books or using accounting and bookkeeping software. Effective bookkeeping practices will enable enterprises to monitor their financial status, identify profits or losses, and make informed financial decisions.

The research also recommends that agribusiness enterprises should focus more on cash budgeting by preparing comprehensive and accurate budgets. This will ensure effective

allocation and utilization of available resources, leading to increased financial performance. Adequate budgeting helps in planning for future financial needs, managing liquidity, and optimizing resource allocation.

In addition, agribusiness enterprises should put in place proper cash control measures such as separation of obligations; good consent; physical controls; suitable documents and records; and sovereign checks on performance over money received, money payments and cash banked so as to avoid likely loopholes that may affect financial performance.

6.4 Contributions of the Research Study

Based on the findings from the previous chapter, this research addresses significant gaps in the existing literature concerning the influence of money administration practices on the financial performance of agribusiness enterprises, particularly in the context of Mbale City. By doing so, it contributes to a more comprehensive understanding of financial management practices in agribusiness, an area previously underexplored.

The research offers actionable recommendations based on the findings from multiple regression analysis. Agribusiness enterprises can implement these suggestions to improve their financial performance. For instance, enhancing bookkeeping practices, strengthening cash budgeting, and implementing effective cash control measures are specific strategies that can lead to better financial outcomes.

6.5 Areas of Future Research

The study only focused on one geographical area thus limiting its ability to be inferred to other areas. It is important that other future studies extend to other geographical areas for better understanding of the relationship between cash budgeting, cash control, book keeping and financial performance of agribusiness enterprises.

Other studies can also focus other aspects that influence financial performance of agribusiness enterprises and the different ways of improving financial performance of agribusiness enterprises.

6.6 Conclusion

The chapter began with an introduction that outlined the key areas covered, followed by a summary of conclusions based on the study's findings regarding the effects of money budgeting,

cash control, and bookkeeping on the financial performance of agribusiness enterprises in Mbale City. It proceeded with practical recommendations for agribusiness enterprises to enhance their financial performance and concluded with a discussion of the research's contributions and suggestions for future research directions.

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APPENDIX I: TABLE FOR DETERMINING SAMPLE SIZE

Table for Determining Sample Size from a Given Population

<i>N</i>	<i>S</i>	<i>N</i>	<i>S</i>	<i>N</i>	<i>S</i>
10	10	220	140	1200	291
15	14	230	144	1300	297
20	19	240	148	1400	302
25	24	250	152	1500	306
30	28	260	155	1600	310
35	32	270	159	1700	313
40	36	280	162	1800	317
45	40	290	165	1900	320
50	44	300	169	2000	322
55	48	320	175	2200	327
60	52	340	181	2400	331
65	56	360	186	2600	335
70	59	380	191	2800	338
75	63	400	196	3000	341
80	66	420	201	3500	346
85	70	440	205	4000	351
90	73	460	210	4500	354
95	76	480	214	5000	357
100	80	500	217	6000	361
110	86	550	226	7000	364
120	92	600	234	8000	367
130	97	650	242	9000	368
140	103	700	248	10000	370
150	108	750	254	15000	375
160	113	800	260	20000	377
170	118	850	265	30000	379
180	123	900	269	40000	380
190	127	950	274	50000	381
200	132	1000	278	75000	382
210	136	1100	285	100000	384

Note.—*N* is population size.
S is sample size.

APPENDIX II: QUESTIONNAIRE

Dear respondent,

I am Nankya Christine Kiige, a student of Uganda Christian University, Mbale University College, pursuing a Master’s Degree in Business Administration. As requirement for the fulfillment of the above course, I am carrying out research study on “cash management practices and financial performance of agri-business enterprises in Mbale City”. I therefore request you to fill this questionnaire. Your responses will be used for academic purposes only and will be treated with utmost confidentiality. Thank you for your time.

SECTION A: BACKGROUND CHARACTERISTICS (please tick where necessary)

1. Your Gender?

- (a) Male (b)Female

2. Your age group?

- (a) 15-19 (b) 20-24 (c) 25-29 (d) 30-34 (e) 35-39
(f) 40-44 (g) 45 and above

3. Your highest level of education?

- (a) PLE (b) O-Level (c) A-Level (d)Tertiary/University
(e) Other (specify)

4. Experience in running the enterprise

- (a) Less than a year (b) 1 – 3 years (c) 4 – 6 years (d) 7 – 9
(e) 10 years and above

5. What is the nature of your business?

- (a) Agro processing (b) Agro Chemicals (c) Agro products
(d) Other (specify)

SECTION B: CASH BUDGETING

Under the following sections, please tick according to your level of agreement using a scale of; 5= Strongly Agree, 4= Agree, 3= Not sure, 2= Disagree, 1= Strongly Disagree

	Cash budgeting and financial performance	5	4	3	2	1
1	You set cash budgets to enhance control of cash in this business					
2	Your enterprise is able to make cash flow forecast through cash budgeting					
3	Through cash budgeting, your able to control the spending habits					
4	Cash budgeting aids effective operation of our enterprise					
5	Cash budgeting helps to promote higher growth of sales revenues					
6	Cash budgeting ensures that sufficient cash is available at all times to meet the levels of operations in our enterprise					
7	Your enterprise is able to monitor cash outflow on a regular basis					

SECTION C: CASH CONTROL

Under the following sections, please tick according to your level of agreement using a scale of; 5= Strongly Agree, 4= Agree, 3= Not sure, 2= Disagree, 5= Strongly Disagree

	Cash control and financial performance	5	4	3	2	1
1	Cash payments are made only with proper authorization					
2	Cash available is under safe custody with only authorized access					
3	Cash payments are made only on budgeted activities					
4	All cash collections are banked on daily basis to ensure cash safety					
5	You have set a minimum cash balance that the business must be holding at all times					
6	Internal controls over cash are always followed for any cash related transactions					

SECTION D: BOOK KEEPING

Under the following sections, please tick according to your level of agreement using a scale of; 5= Strongly Agree, 4= Agree, 3= Not sure, 2= Disagree, 1= Strongly Disagree

	Book keeping and financial performance	5	4	3	2	1
1	Relevant transactions concerning the business are always recorded					
2	You have a clear record of all cash payments for the business					
3	All sales are recorded promptly whether on credit or cash basis					
4	Invoices of all transactions are filed and kept safely.					
5	You prepare accounts such as income statement to know how the business performing.					
6	Keeping of proper records helps your enterprise in framing future business plans.					

SECTION E: FINANCIAL PERFORMANCE

Under the following sections, please tick according to your level of agreement using a scale of; 5= Strongly Agree, 4= Agree, 3= Not sure, 2= Disagree, 1= Strongly Disagree

	Financial performance	5	4	3	2	1
Profitability						
1	The business always attains the planned profits during the year					
2	The business records the revenue that exceeds the operational cost					
3	The revenue for this business has been growing over the past periods					
4	The profits of this business has increased over time					

God bless you.

APPENDIX III: INTERVIEW GUIDE

Dear respondent,

I am Nankya Christine Kiige, a student of Uganda Christian University, Mbale University College, pursuing a Master's Degree in Business Administration. As requirement for the fulfillment of the above course, I am carrying out research study on "cash management practices and financial performance of agri-business enterprises in Mbale City". I therefore request you to fill this questionnaire. Your responses will be used for academic purposes only and will be treated with utmost confidentiality. Thank you for your time.

1. How long have you been in this enterprise?
2. What is your position at in this enterprise?
3. Which forms of cash management practices have been using in this enterprise?
4. What is the influence of cash budgeting on fiscal performance in this enterprise?
5. How does cash control influence financial performance in this enterprise?
6. What do you think is the influence of book keeping on the financial performance?
7. How would you measure the financial performance of this enterprise over the past years?

Thank you for your time and cooperation.

APPENDIX IV: INTRODUCTION LETTER

UGANDA CHRISTIAN

UNIVERSITY, MBALE UNIVERSITY COLLEGE,

Centre [if applicable] in the Heart of Africa



Department of Business

TO AGRI-BUSINESS
ENTERPRISES IN MBALE

Dear Sir/Madam,

Re: Academic Research

Christian greetings!

We are honored to introduce to you Mr. Mrs. / Miss ^{Mr/ra} NANK-JA CHRISTINE KIIGE
Of Registration Number; WS21/MUC/MBA/005 pursuing a Masters'

Degree/Postgraduate Diploma / Bachelor's Degree

MASTERS' DEGREE IN BUSINESS ADMINISTRATION

He/ she is required to carry out an academic research on the topic

CASH MANAGEMENT PRACTICES AND FINANCIAL PERFORMANCE
OF AGRI-BUSINESS ENTERPRISES IN MBALE CITY

and thereafter produce a well bound hard cover research report (MAROON) in color for undergraduate and three (BLACK) copies for Postgraduate students as a University requirement for the award of a degree/diploma in the academic discipline that he / she is pursuing.

We shall be grateful for the help you may offer to him or her accordingly.

Thank you.

Yours faithfully,

Handwritten signature

Ornache Henry
HOD- Business Department



APPENDIX V: POST VIVA FORM



UGANDA CHRISTIAN UNIVERSITY

A Centre of Excellence in the Heart of Africa

UGANDA CHRISTIAN UNIVERSITY

SCHOOL OF RESEARCH & POSTGRADUATE STUDIES

DISSERTATION CORRECTION COMPLIANCE REPORT BY THE CANDIDATE (POST VIVA FORM)

Date: 07/08/2024

Name of Candidate: NANKYA CHRISTINE KIIGE..... Reg No: WS21/MUC/MBA/005.....

Title of Dissertation ... CASH MANAGEMENT PRACTICES AND FINANCIAL PERFORMANCE OF AGRI-BUSINESS ENTERPRISES IN MBALE CITY.

SN	COMMENTS BY EXTERNAL EXAMINER	ACTION TAKEN	INDICATOR
1	<ul style="list-style-type: none">In the background, provide statistical trends financial performance of agri-businesses.Align the third objective to the study	<ul style="list-style-type: none">Background of the study corrected with clear statistical trends in financial performance of agri-businesses.	Pages 3, 4, 5, 6, 7, and 8 corrected.

	<p>purpose.</p> <ul style="list-style-type: none"> • Explain the conceptual framework with evidence and justify the validity of book keeping as a dimension of cash management practices. 	<ul style="list-style-type: none"> • The third objective aligned to the study purpose. • Explanation of the conceptual framework corrected with evidence and justification of the validity of book keeping as a dimension of cash management practices. 	
2	<ul style="list-style-type: none"> • Generate logical discussions in the reviewed literature. • Explain a valid gap in literature that your study addressed 	<ul style="list-style-type: none"> • Logical discussions in the reviewed literature generated. • A valid literature gap that the study addressed stated. 	Pages 10, 11, 12, 13, 14, 15, 16, and 17 corrected.
3	<ul style="list-style-type: none"> • Explain well the data collection methods used. • Enrich the explanation of the ethical considerations utilized. 	<ul style="list-style-type: none"> • Data collection methods used properly explained. • Explanation of the ethical considerations utilized enriched. 	Pages 19, 20, and 23 corrected.
4	<ul style="list-style-type: none"> • Explain clearly the basis used to interpret the study findings. • Enrich the explanation of the multiple regression results. 	<ul style="list-style-type: none"> • The basis used to interpret the study findings explained. • Explanation of the multiple regression results explained. 	Pages 25, 26, 27, 28, 29, 30, 31, 32, 33, 34, 35, 36, 37, 38, 39, 40, 41, 42,

	<ul style="list-style-type: none"> • Make critical discussions of the study findings. 	<ul style="list-style-type: none"> • Critical discussions of the study findings made. 	and 43 corrected.
5	<ul style="list-style-type: none"> • Draw recommendations based on the study results. • Include all citations in the final reference list. • Introduce and conclude every chapter. • Edit all the English mistakes in the dissertation. 	<ul style="list-style-type: none"> • Recommendations made based on the study results. • All citations included in the final reference list. • Every chapter introduced and concluded. • All English mistakes in the dissertation edited. 	Pages 1, 9, 10, 17, 18, 41, 42, 44, 45, 46, 47, 48, 49, 50, 51, and 52 corrected.

SN	COMMENTS BY INTERNAL EXAMINER	ACTION TAKEN	INDICATOR
1	<ul style="list-style-type: none"> • Few of the citations were obtained from current sources. • The researcher did not show other studies that used the same theory used in this study. • The problem statement is not well articulated. For instance, most information in the first paragraph talks about the independent variable ‘cash management’ instead of the dependent variable where the problem stems from. Further to this, there is no credible source showing that there is a problem with financial performance of agribusinesses in Mbale city. • The content scope isn’t clear. • The explanation of the framework is so basic and not supported by credible source. 	<ul style="list-style-type: none"> • Citation for the current study included in the contextual background. • Other studies that used the same theory used in this study indicated. • Problem statement corrected. • Content scope corrected. • Credible sources for the explanation of the conceptual framework clearly indicated. 	Pages 2, 4, 5, 6, 7, 8 and 9 corrected.
2	<ul style="list-style-type: none"> • The literature review has been logically presented based on the study objectives. 	<ul style="list-style-type: none"> • The second theory removed from literature review. 	Page 11 corrected

	<p>However, there are two theories presented in this section and yet in chapter one, only one theory was presented i.e. free cash-flow theory.</p>		
3	<ul style="list-style-type: none"> • The research undertook a cross-sectional research design but the reason for this design is vague. • The study has a heading for data collection method, yet no method was indicated. 	<ul style="list-style-type: none"> • The reason for a cross-sectional research design stated and explained. • Data collection methods explained. 	Pages 18, 19, and 20 corrected.
4	<ul style="list-style-type: none"> • The descriptive statistics do not have frequencies and percentages figures; these should be included for proper interpretation. 	<ul style="list-style-type: none"> • Mean and standard deviation values for the descriptive statistics clearly indicated. 	Pages 28,30, and 34 corrected.
5	<ul style="list-style-type: none"> • The chapter is missing descriptive findings. • Some citations don't appear in the reference list. 	<ul style="list-style-type: none"> • Descriptive findings indicated in the chapter. • All citations included in the reference list 	Pages 42, 43, 48, 49, 50, 51, and 52 corrected.

SN	COMMENTS BY VIVA VOCE PANNEL	ACTION TAKEN	INDICATOR
1	<ul style="list-style-type: none"> The conceptual framework is so good but lacked a paragraph of explanation. 	<ul style="list-style-type: none"> Paragraphs for the explanation of conceptual framework made. 	Pages 8 and 9 corrected.
2	<ul style="list-style-type: none"> The literature gaps identified were not in line with the topic and hence were not addressed. 	<ul style="list-style-type: none"> The literature gaps identified corrected in line with the topic. 	Page 16 and 17 corrected.
3	<ul style="list-style-type: none"> The source of the population size is not convincing, we need to back it up with a report. 	<ul style="list-style-type: none"> The source of the population size clearly stated 	Page 18 corrected.
4	<ul style="list-style-type: none"> The findings from qualitative data are missing. 	<ul style="list-style-type: none"> Findings from qualitative data included in the analysis. 	Pages 29, 32, 33, 35, and 36 corrected.

5	<ul style="list-style-type: none"> • Recommendations should be based on multiple regression results. • The recommendations should appreciate the fact that the enterprises have been practising some of the noted activities but just need to be guided on how to do them better. • Also include the contribution of the research to the academia and agribusiness enterprises. 	<ul style="list-style-type: none"> • Recommendations made in line with the multiple regression results. • Recommendations improved. • The contribution of the research to the academia and agribusiness enterprises included. 	Pages 45 and 46 corrected.
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Nankya Christine Kiige



Candidate's Name

Signature

Prof. Maboga Eric



Supervisor's Name

Signature