

**THE IMPACT OF ACCOUNTING TECHNIQUES ON PERFORMANCE OF
CENTENARY BANK: CASE STUDY OF THE CENTENARY BANK
KABALAGALA BRANCH**

**BY
AKUGIZIBWE ASABA
BBA/31020/102/DU**

**A RESEARCH REPORT SUBMITTED TO THE COLLEGE OF APPLIED ECONOMICS
AND MANAGEMENT SCIENCES IN PARTIAL FULFILMENT OF THE
REQUIREMENTS FOR THE AWARD OF BACHELORS DEGREE
IN BUSINESS ADMINISTRATION (ACCOUNTING) OF
KAMPALA INTERNATIONAL UNIVERSITY**

APRIL, 2013

DECLARATION

I Akugizibwe asaba declare that this is my original work and has never been presented to any other university or institution for award of any academic qualification.

Signed. 

AKUGIZIBWE ASABA

DATE. 22/4/2013

APPROVAL

This is to certify that this Research report entitled "Impacts of accounting techniques on performance of centenary bank" has been done under my supervision and. is submitted for examination with my approval.

NAME: Dr. Kinyata Stanley

(SUPERVISOR)

Signature.....*Dr. Kinyata Stanley*.....

Date.....*20/4/2013*.....

DEDICATION

This Research report is dedicated to my beloved parents Mr. Asaba and Mrs. Kugonza for their continuous financial and moral support. Also to all my beloved brothers; Businge, Mugisa, Kansiime, Tumwesige, Tugonzangane

And sisters; katusabe, Najuna, Mbabazi, Kunihira, Kemigisa, and Asingire, and to all my Friends moist especially Benjamin, Osbert and Doreen,

Rosemary, Beatrace, Maureen, Jackie, Beckie, Brother

ACKNOWLEDGEMENTS

I wish to acknowledge the indispensable assistance rendered to me by all people who made my research Report successful; especially my supervisor Dr. Kinyata Stanley and my fellow students. Above all thanks goes to the almighty God for giving me life and all the necessary strength, knowledge, wisdom, financial and moral ability.

Table of Contents

DECLARATION.....	i
APPROVAL	ii
DEDICATION.....	iii
ACKNOWLEDGEMENTS.....	iv
LIST OF TABLES.....	viii
LIST OF FIGURES	ix
LIST OF ABBREVIATIONS.....	x
ABSTRACT	xi
CHAPTER ONE.....	1
INTRODUCTION	1
1.0 Introduction.....	1
1.1 Background of the study.....	1
1.2 Problem statement.	2
1.3 The purpose of study.	2
1.4 Objects of the study.	2
1.5 Research questions.....	3
1.6 Hypothesis.	3
1.7 Scope.....	3
1.8 Significance of the study	3
1.9 Conceptual framework.....	4
CHAPTER TWO	6
LITERATURE REVIEW	6
2.0 Introduction.....	6
2.1 Theoretical review	6
2.2 Literature review.....	7

CHAPTER THREE	10
RESEARCH METHODOLOGY	10
3.0 Introduction.....	10
3.1 Research design.	10
3.2 The population of study.	10
3.3 Sample size	10
3.4 Sampling techniques.....	11
3.5 Research Instruments.....	11
3.6 Validity and reliability.....	11
3.7 Data gathering procedures.	12
3.8 Data analysis:.....	12
3.9Limitation of the study.....	12
 CHAPTER FOUR	 13
PRESENTATION, INTERPRETATION AND ANALYSIS OF DATA	13
4.0 Introduction.....	13
4.1 Demographic characteristics.....	13
CHAPTER FIVE	26
SUMMERYOF FINDINGS, CONCLUSION AND RECOMENDATION.....	26
5.0 Introduction.....	26
5.1 Summary	26
5.2 Conclusion.....	27
5.3 Recommendations.....	27

REFERENCES	29
APPENDICES	31
Research instruments	31
APPENDIX A: (a) Questionnaire:.....	31
(b) INTERVIEW GUIDE	33
APPENDIX B: RESEARCH BUDGET	34
APPENDIX C:TENTATIVE IMPLEMENTATION SCHEDULE	35
APPENDIX D PLAN FOR DATA PRESENTATION.....	36

LIST OF TABLES

Table 4.1: Shows the sex/gender of the respondents.....	13
Table 4.2: Shows the level of education of the respondents.....	14
Table 4.3 shows the age of the respondents.	16
Table 4.4 shows the position held by the respondents.....	17
Table 4.5 shows the response of the respondents on the application of accrual accounting.	18
Table 4.6 shows the response of the respondents on the application of cash based accounting.	19
Table 4.7 shows the positive impacts of accounting techniques to the performance of centenary bank.....	20
Table 4.8 show the accounting practices adopted by the centenary bank	21
Table 4.9 shows the challenges faced in the application of Accrual accounting technique in centenary bank.....	22
Table 4.10 show the Accountants' adoption to modern accounting techniques.....	23

LIST OF FIGURES

Fig 4.1: Pie chart showing the percentage gender of respondents.....	14
Fig 4.2 shows the education level of the respondents.	15
Fig 4.3: Shows the age group of the respondents	16
Fig 4.4 showing the position held by the.....	17
Fig 4.5 shows the response of the respondents on the application of cash basis accounting	18
Fig 4.6 shows the response of the respondents on the application	19

LIST OF ABBREVIATIONS

D.E.A. Data Envelopment Analysis

R.O.E. Return On Assets.

R.O.E. Return On Equity.

R.O.I. Return On Investment

F.D.H. Free Disposal Hull.

E.T.A. Equity to Assets.

L.P. Linear Programming.

D.M.us. Decision Making Units

ABSTRACT

The study examined the impact of accounting techniques and performance of centenary bank with a case study of kabalagala branch which has a total population of 60 employees in all departments from which the sample size of 52 respondents was randomly selected. The study was quantitative since the major findings from the field were descriptively presented through the use of tables and graphs for easy understanding and interpretation.

The study had four research questions and four objectives which included; Evaluating the relationship between accounting techniques on performance of centenary bank, Examining the accounting techniques used in centenary bank, the ability of centenary bank to record, interpret, analyze and report financial information, impacts of accounting techniques on performance of centenary bank. Using a cross sectional survey design in which the survey questionnaire and interview guide were used to collect the required data, the study was able to make the following findings.; The female gender is highest with 71.2% , 57.3% of the respondents were in the age group 30-39 and 51.9% of the respondents were degree holders.

The research findings revealed that accounting techniques are very important to performance of centenary bank as indicated by 94.2% of the respondents and the leading impact of accounting techniques is the overall improvement in the day to day financial management and capturing customers' transactions correctly. The research also revealed that there is a close relationship between accounting techniques and the performance of centenary bank. The researches also found out that a great percentage of the respondents (96.1%) have appreciable knowledge of operation or use of the computer for originating, maintaining and recording transactions accurately.

The researcher therefore recommended the following to realize the positive impacts of accounting techniques on centenary bank:

1. Ensuring close working relationship among the different departments in centenary bank,
2. Ensuring that the principles and standard governing accounting profession are closely followed.,
3. Ensuring that there is maximum customer care with in the centenary bank, this will increase customer satisfaction and loyalty

CHAPTER ONE

INTRODUCTION

1.0 Introduction.

This chapter shows the background, problem statement, purpose of the study, objectives of the study, research questions, Hypothesis, Scope. Significance of the study and Methodology.

1.1 Background of the study.

In recent years the banking industry has suffered setbacks, thanks to the passage of financial regulatory reforms and a bill that would allow government to impose more rigorous restrictions on commercial banks. However those incidents have not tempered the industry lobbying efforts as much of their dollars have gone towards Munising the effects of regulatory oversight.

Success according to Barreira (2004) refers to the extent to which the set objectives are achieved. In this study success referred to the extent to which centenary bank achieve their business benefits, fulfill expectations of the society. Business benefits may include: Increased profits, business expansion, and increased business assets. Society expectations may include: Increased employment opportunities, increased products improved relations, better business image and goodwill.

Accounting is usually regarded as an adjunct of centenary bank or banking industry which has at the most a tenuous relationship to the structure and theory of science and slight discernible similarity to forms of political organization. A country centers around two classes of record, the balance sheet and the profit and loss statement. Taken together they exemplify the mechanical theory of physics as well as the physiological or organic theory which is associated with the evolution process in which time is cardinal.

Officially there are two types of accounting techniques which dictate how the company's transactions are recorded on the company's financial books. These are; Cash based accounting techniques and Accrual accounting techniques. In cash based accounting comprises records of financial expenses in financial accounts when cash is

Actually paid out and revenue recorded when they actually hold the cash in their hot little hands. In actual accounting company records revenue when the actual transactions is complete not when it receives the cash.

Accounting techniques refers to the practice and body of knowledge concerned primarily with methods for recording transactions, keeping financial records, performing internal audits, reporting and analyzing financial information to the management and advising on taxation matters. It is a systematic process of recording of recording, identifying measuring, classifying, verifying, summarizing. Interpreting and communicating financial information.

1.2 Problem statement.

In Uganda centenary bank fail to operate efficiently and effectively. This failure of centenary bank in Uganda is indicated by their low job creation, loss of trust from customers, poor working conditions of work, the number of centenary banks in Uganda. , Failure to expand, low contribution to GDP (Gross Domestic Product).

This problem is likely to result into low economic growth since it contributes less to the GDP, Reduction in government revenue, low investment creation, and this will increase the rate of job seekers which will in turn result into high level of unemployment, poor standards of living.

This problem has other possible causes other than accounting techniques, and they include; high taxes, poor management skills, lack of credit facilities, high inflation rates that discourage saving.

While many studies have investigated on the poor performance of centenary banks, No study has been conducted on accounting techniques that is why the study opted to investigate on the relationship between accounting techniques and success of centenary bank.

1.3 The purpose of study.

The purpose of this study was to describe the relationship between accounting techniques and Performance of centenary bank

1.4 Objects of the study.

- (i) To determine the profile of respondents in terms of Age, Education, Gender, Marital status.
- (i) To determine the accounting techniques used in centenary bank.
- (ii) To determine the level of accounting techniques.
- (iii) To determine if there is a significant relationship between the level of accounting techniques and success of centenary bank.

(iv) To determine the ability of centenary bank to record, interpret, analyze and report financial information.

1.5 Research questions.

- (i) What is the profile of the respondents?
- (ii) What is the type of accounting techniques used by centenary bank?
- (iii) What is the level of success of centenary bank?
- (iv) Is there significant relationship between the level of accounting techniques and success of centenary bank?

1.6 Hypothesis.

There is no significant relationship between the level of accounting techniques and the level of success of centenary.

1.7 Scope

Geographical scope: This study was conducted from centenary bank kabala gala branch

Content scope: This study was limited to the level of accounting techniques under cash based accounting and accrual accounting. Under cash based accounting the study was limited to recording expenses in financial accounts when cash is actually paid.

Under accrual accounting the study was limited to recording revenue when actual transaction is complete not when the cash is received. All incorporated companies must use accrual accounting principles (GAAP).

Success in this study was limited to internal and external. It was also examine the relationship between accounting techniques and success of centenary bank.

1.8 Significance of the study

This study was significant to the following: Academicians and future researchers who need the information that was gathered at the end of this study which will help them make further researches on the problem.

Still the findings of the study is to help the management of private sector foundation Uganda in that, they will be able to identify the weak and strong area in accounting techniques so that they can arrange /plan training programs accordingly.

Furthermore the finding of the study is to help the government to come up with programmes that are intended to improve the accounting techniques skillss

The study is to benefit investors since enough information which is necessary to enable them make better investment decisions will be made available, more so the society.

1.9 Conceptual framework

The objective of this study is to validate the implication of data development analysis.(DEA) in investigating the efficiency of commercial banks .DEA was first developed by Charnes et al. (1978) as mathematical programming procedure for evaluating the relative efficient of multiple decision-making units (DMUs). It was constructed on the theoretical framework presented by Farrell (1957). Data envelopment analysis is nonparametric technique which offer comparative ratio for each unit interims of output and input. The ratio is stated as efficiency score for each unit.

The efficiency score is usually presented as a number between zero (0) to one (1) or 100%. A unit whose score is less than one is usually believed to be inefficient as compared to other units. One of the significant roles of data envelopment analysis (DEA) is that the efficiency scores highlight the gap for potential improvement and development for efficient DMUs (Decision making unit). Moreover another advantage of DEA is that this technique doesn't have any grid or predetermined structure in defining the efficient unit (banker, 1984;Al- et al,1993;1995; mester,1996).

Independent variable

dependent variable

Accounting techniques

Recording financial transactions
Analyzing and Interpreting financial Transactions.
Auditing and reporting financial Transactions
Preparing and interpreting Income statements

success of centenary bank

Increased profits
increased assets
Increased job creation
increased number of trained personnel
Many branches

The level of success of centenary bank depends on the level of accounting techniques.

Accounting techniques will affect the success of centenary bank

CHAPTER TWO

LITERATURE REVIEW

2.0 Introduction.

This chapter presents the theoretical review, conceptual framework, and review of the literature related to the study.

2.1 Theoretical review

This study was based on the positive accounting theory proposed by Millon Fredman consistent with Freidman's view, Watts and Zimmerman asserts that; the objective of "positive accounting theory" is to explain and predict accounting practices. Explanation in this study means providing observed practice for example positive accounting theory seeks to explain why firms continue to use historical cost accounting and why certain firms switch between a number of accounting techniques and prediction will be that the theory predict "unobservable future phenomenon, they include phenomenon that have occurred but on which systematic evidence has not been collected.

This theory attempts to explain manager's choice of accounting methods in terms of self interest, the relationship between stakeholders and how financial accounting can minimize costs by aligning completing interest.

This theory focuses on the relationship between the various individuals involved in providing the resources to an organization and how accounting is used to assist in functioning of these relationships. This theory developed by watt and Zimmerman and others is based on central economic based assumption that all individuals will act in an opportunistic manner to the extent that the action will increase their wealth.

A key to explain manager's choice of a particular accounting method came from agency theory. Agency theory provides a necessary explanation as to why the selection of particular accounting method might matter, and focused on the relationship between principles and agents, and relationship which created much uncertainty

2.2 Literature review

The ratio analysis long standing technique to evaluate the performance of the banks. The financial statements are examined to find different ratios and then compare them with the benchmark. The parametric technique are usually used by researchers to investigate the performance top the banks .The mathematical programming techniques used to measure the Efficiency of the organizations. The empirical evidence shows the two non parametric tests malquist productivity indices (MPI) and data Envelopment analyst (DEA) in previous studies Seiford and zhu (1999) examined that the profitability and marketability of to 55 U.S.A commercial banks by applying data envelopment analysis (DEA) model. The process of data analysis was based on two stages. On the basis of this study it was concluded that large banks performed better with respect to profitability than small size banks, while small size banks have better characteristics of marketability as compared to large size banks.

Maudos et al (2002) described the cost and profit efficiency of 832 European banks of ten European union countries. Their study covered a period of 1993 to 1996. The return on assets (ROA) and return on equity (ROE) were acquired as performance measures to check profitability and efficiency of banks under data envelopment analysis (DEA) the four dimensions market characteristics, differences in size, other bank characteristics and specialization.

Variations in the profit terms were found to be greater than the variations in cost terms ,Asian journal of business and management sciences ISSN:2047-vol.No 2(150-156)society for business research promotion 152 park and Weber (2006) studies the profitability of all Korean banks by testing with (traditional hypothesis approach) market structure hypothesis against efficient structure hypothesis applied after examination of the panel data (for the period of 1992-2002)with the help of data envelopment analysis (DEA) model.

The study found performance measure to have significant effect on banks profitability,

Pastor Lovell and Tulkens (2006) calculated financial performance of branch offices. They studied 573 branch offices for six month accounting period of large European saving bank.

Data envelopment analysis (DEA) and free disposal hull (FDH) programming mathematical method were applied to estimate financial performance with respect to their safeguard against expense in giving customers services and building customer bases. They found financial performance evaluation factors can be reduced without statistical loss of significant information to bank management. Sufian (2009) studied the efficiency of Malaysian banking sector during

Asian crisis of 1997 for the period 1995-1999. Efficiency of individual bank was evaluated by data envelopment analysis (DEA) technique. Profitability was the major ingredient which was used to measure the efficiency with other explanatory variables, like bank size and ownership.

Efficiency of banks was found to be positively related to loans intensity and was found to be negatively related with economic conditions and expense preference behavior. Nigmonov (2010) aims to study banks performance and efficiency in Uzbekistan for the period 2004-2006. The basic two DEA model were applied to analyses the data under the assumption of constant and variable return to scale. The results have revealed that the efficiency occurs due to technical efficiency and overall banks average efficiency level decreased.

The development in the efficiency of the Thailand banking sector covered the duration 1999-2008 (Sufian & Habibullah, 2010). The data envelopment analysis (DEA) approach used to measure the technical efficiency of individual banks. The results have shown that inefficiency offset during formulation of technical efficiency with respect to pure technical efficiency in banking sector. The efficiency level of banks in data envelopment analysis is measured using ratio of weight sum of outputs to weighted sum of inputs. The empirical evidence considered the different inputs and outputs to measure the efficiency of banking sector.

Performance is generally conceptualized bank's ability to generate transaction by effectively utilizing its resources. Economically the efficiency refers to the ratio of outputs to inputs. Inputs which refer to the scarce resource and outputs interns of goods

And services offered to the consumers. The notion of efficiency interns of banking operations is more consequential as banking sector is deemed to have significant role in the financial division of a country. The importance of measuring its performance has been in debates for a long time. Primarily, the return on assets (ROA), return on investment (ROI), return on equity (ROE), Equity to assets (ETA) and internal growth of equity, etc. Although these ratio are still used as performance measure and though to be partial productivity measure data envelopment analysis (DEA) can be considered as a tool for measuring total productivity (Ramanathan)

Asian journal of business management sciences ISSN: 2047-2528 vol.1 No. 2 (150-156) society for business Research promotion (151). The large number of commercial banks in the Pakistan, the high branch density, the quick technological change and amplified competition has added marvelous pressure to improve performance.

This study will use nonparametric linear programming (LP) method, data envelopment analysis (DEA). The inputs were used by previous studies like fixed assets, total funds, interest and non interest expenses, total deposits, labour, Capital and total loan ,other earnings assets, off balance sheet items revenue, profit interest income, non interest income and investment (Hassan, Mohamad ,\$ Bader, 2009;Alkhathlan \$ Malik,2010; Sufian, 2009; Singh,\$ Mmunisamy, 2008; Pastor, Lovell \$ Tulkens, 2006)

CHAPTER THREE

RESEARCH METHODOLOGY

3.0 Introduction.

This chapter entails the methods used to collect data necessary to answer research question.

3.1 Research design.

This researcher used descriptive research which was to enhance the research to obtain better understanding of the problem of poor performance of centenary bank.

The method chosen allowed collection of comprehensive intense data and provided an in-depth study on why past initiative had not provided the desired results.

Research design is the [plan for carrying out a research project

3.2 The population of study.

The population of the study was bank accountants, cashiers, tellers, bank manager, in centenary bank; the total number of respondents was 60. and it was from these study population that the research selected the sample size

This constituted 25 tellers, 12 cashiers, 3 bank manager that is loan's manager, bank manager, 10 accountants, 2 receptionists,

3.3 Sample size

The researcher used Slovene's formula to come up with the sample size to be used in the study.

The Slovene's formula states that given the population, sample size is given by

n = sample size

N = Research population/ target population

(e) The level of significance which is fixed at 0.05

$$n = \frac{N}{1+N(e^2)}$$

$$n = \frac{60}{1+60(0.05)^2}$$

$$n = 52$$

3.4 Sampling techniques

The researcher used systematic random method of sampling. The researcher select ed respondent at every after interval. The number of interval will be arrived at by use of interval formula which states;

$$\text{Interval} = \frac{\text{population}}{\text{Sample size}}$$

3.5 Research Instruments

These are tools that were used to collect the necessary data. I used questionnaire to collect the necessary data. Primarily data was collected by use of questionnaires filled by relevant parties. These were designed in close ended form. The method was to ensure that high proportion of response and high return rate. It contained two sections. Section A which provided background information about the respondents. The structured questions facilitate comparison of respondent's opinion

I also used interview guide method of data collection; I conducted oral interviews with managers, accountants, cashiers tellers, loans officers. A checklist to reduce bias and maintain consistency was designed to guide the interviews.

3.6 Validity and reliability.

Validity refers to the ability of an instrument to measure what is intended to measure. In this research I looked at what is called content validity, this was used to measure the validity of an instrument.

This was done using experts judgment check on the relevance of questionnaires. This content validity index was calculated using the following formula

$$\text{C.V.I} = \frac{\text{Number of questions declared valid}}{\text{Total number of question in questionnaire.}}$$

A C.V.I of 0.7 (Amin2005) will be used to declare the questionnaire valid.

Reliability of an instrument refers to the degree of consistency of that instrument and consistency refers to the ability of an instrument to give the same results each time. It was used to measure variable. I was tested and

Retest method to ensure reliability and under test retest method questionnaire was administered to a few people in one week and then two weeks it was then administered again to the same people. Results from the two tests were compared. The main response from the first test was correlated with the mean response from the second test using the persons correlation coefficient the minimum value to declare an instrument reliable was be 0.07(Amin 2005).

3.7 Data gathering procedures.

After the proposal was approved by the supervisor, I made the required copies of the questionnaires and selected research assistants to assist me in distributing/administering and collection of the questionnaires. After the questionnaires were back I summarized all response and computed the relevant statistics such as frequencies and percentage distribution, etc. After these computations the final report was completed for submission.

3.8 Data analysis:

The information collected was analyzed and edited to create consistency and completeness.

After collecting the questionnaires they were tested for completeness and consistency across all the respondents and to allocate omissions. Information obtained from the research study was presented and analyzed using bar graphs, pie-charts, narrative and statistical figures that is; Descriptive statistics: This was used to measure central tendency, Variability and relationship between variables; it will include proportions, mean scores, and percentages.

Summery statistics: This will be used in the presentation of analysis. It included use of mean and percentages, summarized tabulations and frequency distribution.

3.9Limitation of the study

The following things limited the validity of the study findings.

Failure to retrieve a minimum number of questionnaires. Respondents biases in answering questionnaires.

Data gaps which made statistical computation difficult

CHAPTER FOUR

PRESENTATION, INTERPRETATION AND ANALYSIS OF DATA

4.0 Introduction.

This chapter presents the findings in relation to the research questions and objectives established earlier. The chapter presents the findings by considering the research purpose which was to establish the impact of accounting technique on performance of centenary bank Kabala gala branch.

The data collected from the field was processed and analyzed qualitatively and quantitatively. The qualitative approach used in analysis provided more clarification and explanations on quantitative data.. Quantitative information summarized by using tables, graphs and percentages to show and interpret the response of the respondents for easier understanding of the research findings

4.1 Demographic characteristics

The main purpose of this part was to analyze the back ground information of the respondents in relation to their age, gender (sex), level of education, and marital status. The information was presented by use of tabulation.

Table 4.1: Shows the sex/gender of the respondents

<i>Gender</i>	<i>Frequency (f)</i>	<i>Percentages (%)</i>
Males	15	28.8
Females	37	71.2
<i>Total</i>	<i>52</i>	<i>100</i>

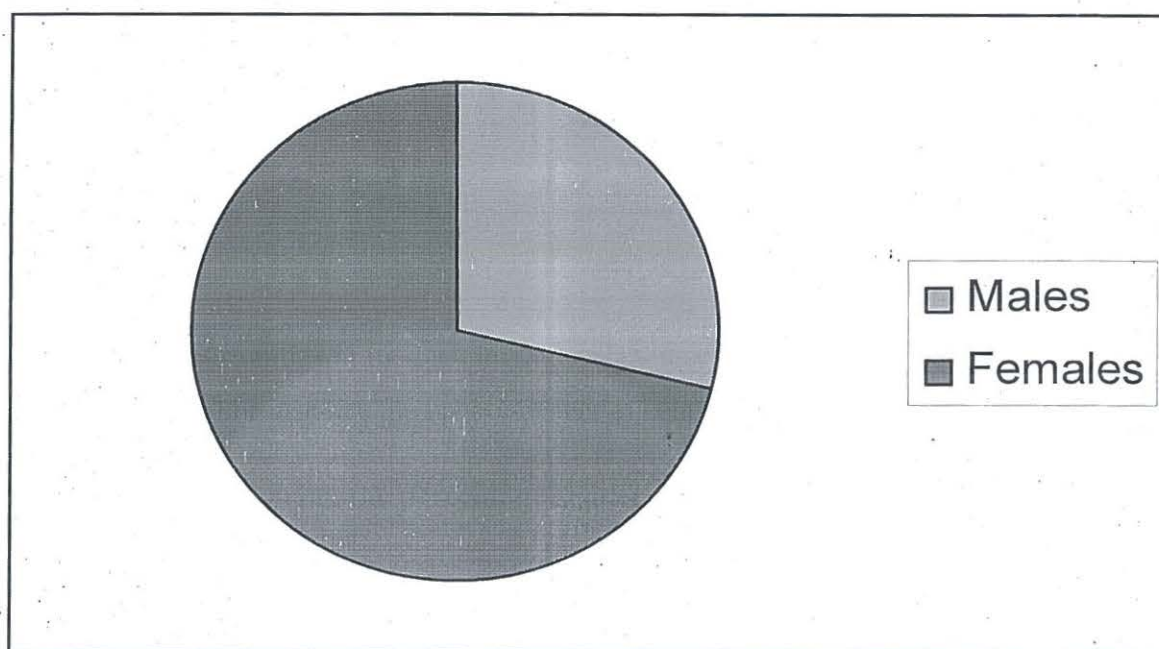
Source: primary data

The table reveals that out of 52 respondents, who were randomly selected to answer the questionnaires 15 were males and 37 were females. The number of the females was greater than the males' number due to the fact that most people employed in the deferent departments of centenary bank were females as most of the tellers, the branch manager, office messengers, are females.

The fact that the government has put much emphasis on girls education, now days many women are educated and are in position to be in those offices, women are in position to access some

employment opportunities in the banking industry thus the number of females being greater than that of the males. For instance the bank manager of centenary bank kabala gala branch is a lady.

Fig 4.1: Pie chart showing the percentage gender of respondents



Source: Primary data

The pie chart above reveals that 28.8% of the respondents were males and 71.2% of them were females. The number of the females was greater than the male due to the fact that most people employed in the centenary bank kabala gala branch were females.

Table 4.2: Shows the level of education of the respondents

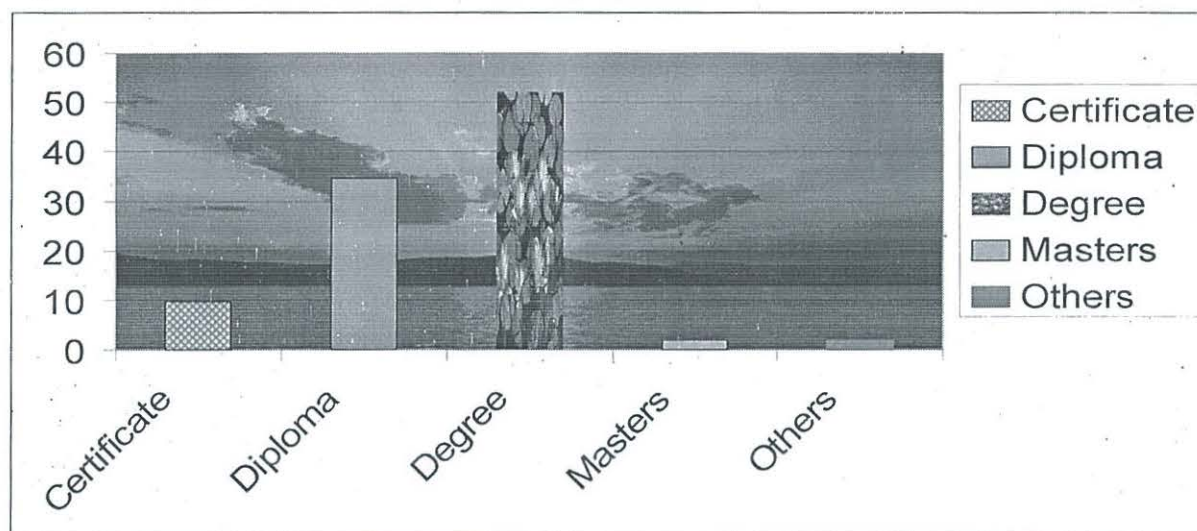
<i>Gender</i>	<i>Frequency(f)</i>	<i>Percentages (%)</i>
Certificate	5	9.6
Diploma	18	34.6
Degree	27	51.9
Masters	1	1.9
Others	1	1.9
Total	52	100

Source: Primary Data.

The above table describes the academic Qualifications of the respondents from whom the researcher gathered the information needed for the study. Out of 52 respondents, majority of them who made a total of 27 and a percentage of 51.9% possessed degree in different academic fields, followed by those having Diplomas made a total of 18 respondents with a percentage of 34.6%.

The respondents who possessed certificates were 5 making a percentage of 9.6%, those possessed masters was 1 (one) making a percentage of 1.9% while 1 (one) making a percentage of 1.9% had completed senior three.

Fig 4.2 shows the education level of the respondents.



Source: Primary data

According to the bar graph above, Majority of respondents who made a total percentage of 51.9% possessed degree in different academic fields. Followed by those having Diplomas who made a total percentage of 34.6%.

The respondents who possessed certificated made a percentage of 9.6, those who possessed masters were 1.9% while 1 (one) had completed senior three

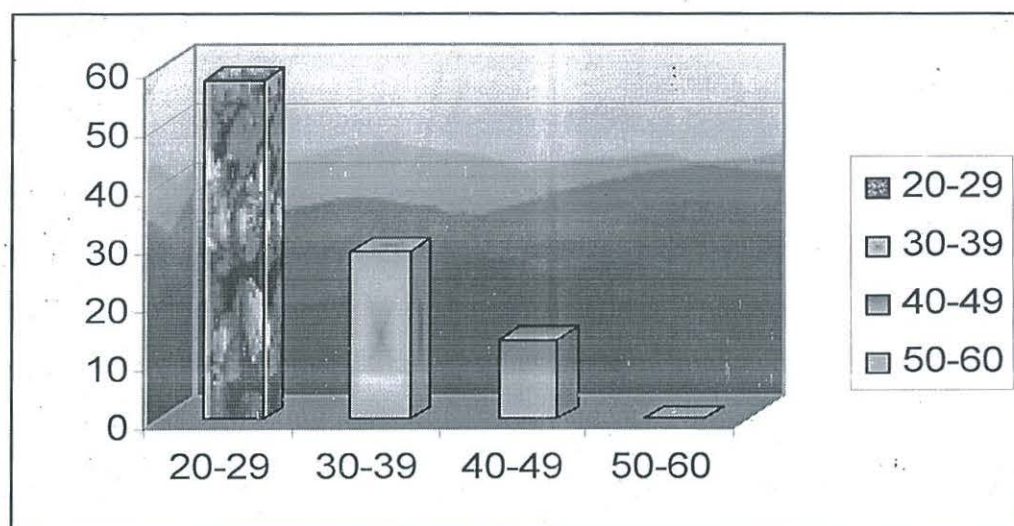
Table 4.3 shows the age of the respondents.

<i>Gender</i>	<i>Frequency(f)</i>	<i>Percentage (%)</i>
20-29	15	28.8
30-39	30	57.7
40-49	7	13.5
50-60	0	0
Total	52	100

Source: Primary data.

According to the table above, the data revealed the age brackets of the respondents with majority of them being the age bracket 30-39 as they made the total number of 30 followed by those in the age bracket 20-29 making a total of 15 respondents. Only 7 respondents were in the age bracket 40-49 years. And those of age bracket 50-60 there was none

Fig 4.3: Shows the age group of the respondents



Source: Primary Data.

According to the bar graph above, the data revealed the age brackets of the respondents with the majority of them being 30-39 as they made a total percentage of 57.7% followed by those in age bracket 20-29 making the percentage of 28.8%, only 13.5 of the respondents were in age bracket of 40-49 and none was in the age bracket of 50-60.

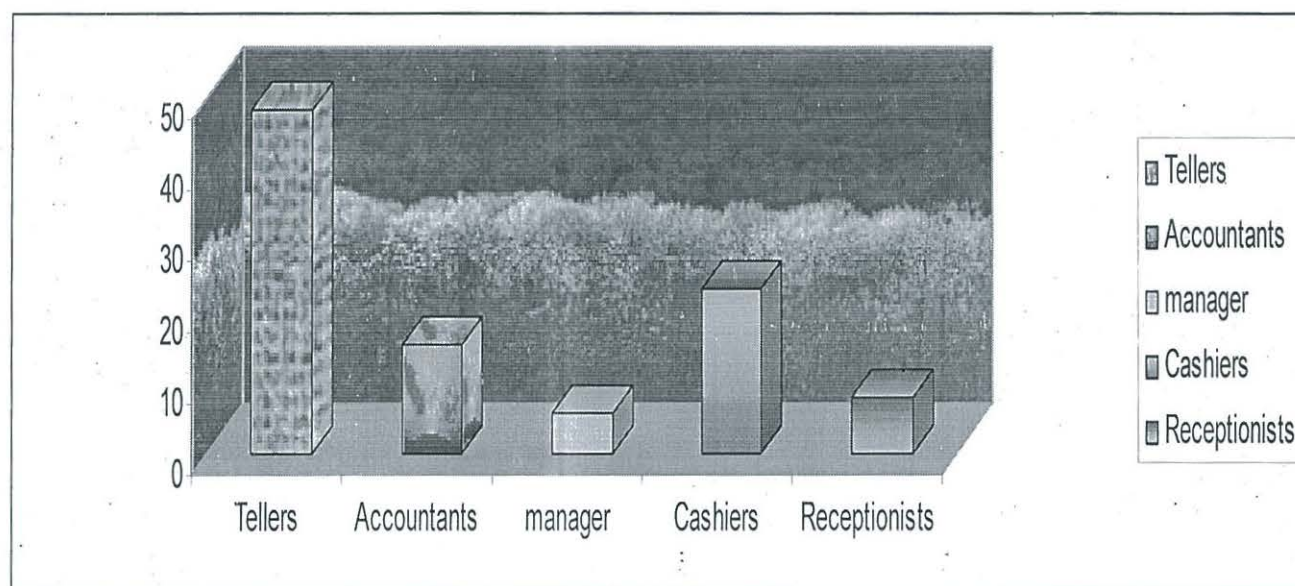
Table 4.4 shows the position held by the respondents

position	Frequency(f)	Percentage (%)
Tellers	25	48.1
Accountants	10	19.2
manager	3	5.8
Cashiers	12	23.1
Receptionists	2	3.8
Total	52	100

Source: Primary data.

The table above shows the positions held by the respondents, Where by the majority held the position of tellers with the total number of 25 and with a percentage of 48.1% followed by cashiers who were 12 with a percentage of 23.1%, accountants were 10 with the percentage of 19.2%, managers were 3 with the percentage of 5.8% and receptionists were 2 with the percentage of 3.8%.

Fig 4.4 showing the position held by the respondents



Source: Primary data

According to the Bar graph, the data revealed that the respondents holding the position of the tellers were the majority with the total number of 25 making the percentage of 48.1% followed by cashiers with the total number of 12 making the percentage of 23.1% ,managers were 3 making

the percentage of 5.8%, Receptionists were 2 making the percentage of 3.8% and accountants were 10 with the percentage of 19.2%.

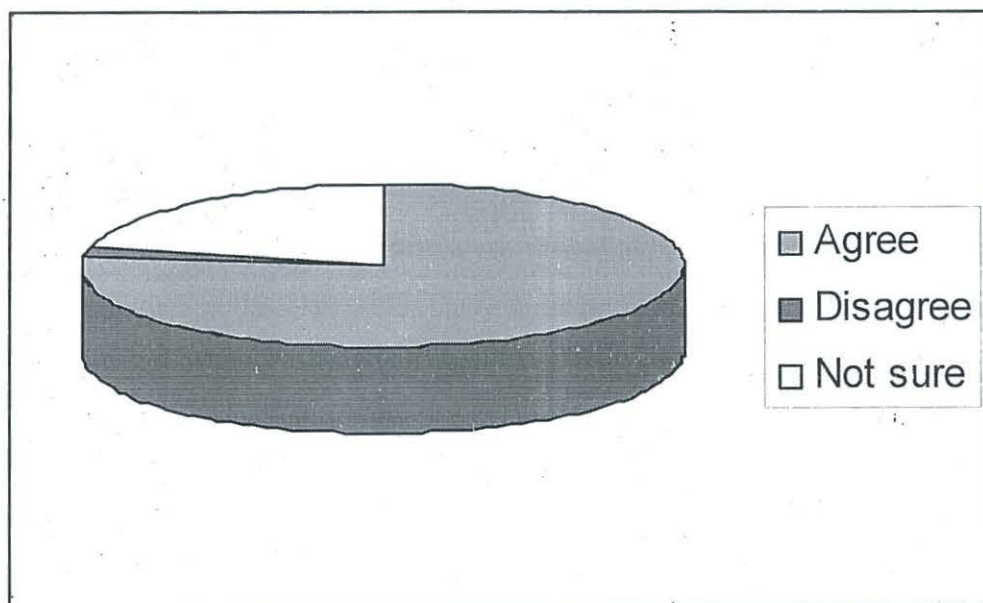
Table 4.5 shows the response of the respondents on the application of accrual accounting.

<i>Responses</i>	<i>Frequency (f)</i>	<i>Percentage (%)</i>
Agree	40	76.9
Disagree	1	1.9
Not sure	11	21.2
Total	52	100

Source: primary data

According to the table above, 40 of the respondents agreed that centenary bank apply accrual accounting techniques, Accrual accounting requires the recognition of the transaction when they occur but not when cash actually paid or received as it is requirement for all incorporated companies to use accrual accounting , 1 of the respondents disagreed, and 11 respondents were not sure of the accounting technique

Fig 4.5 shows the response of the respondents on the application of cash basis accounting



According to the pie chart above, the data revealed that 76.9 % of the respondents Agreed that centenary bank use accrual accounting technique followed by 21.2% respondents who were not sure of the accounting technique applied and 1.9% disagreed

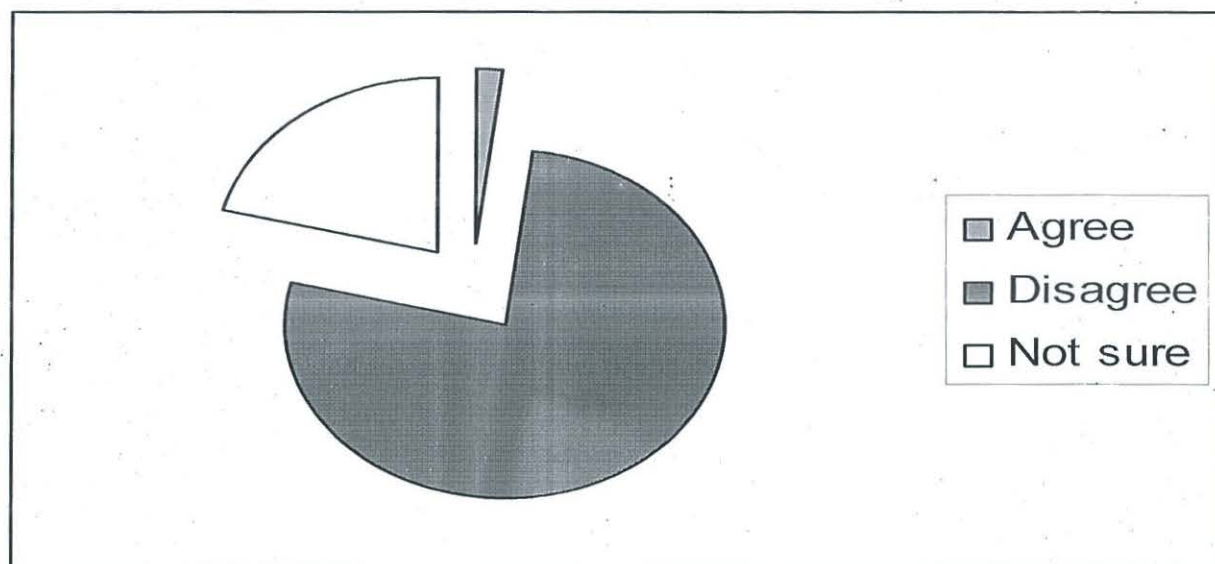
Table 4.6 shows the response of the respondents on the application of cash based accounting.

<i>Responses</i>	<i>Frequency (f)</i>	<i>Percentage (%)</i>
Agree	1	1.9
Disagree	40	76.9
Not sure	11	21.2
Total	52	100

Source: primary data

According to the table above, 40 of the respondents disagreed that centenary bank apply cash based accounting techniques, cash based accounting requires the recognition of the transaction when cash is actually paid or received, 1 of the respondents agreed and 11 respondents were not sure of the accounting technique

Fig 4.6 shows the response of the respondents on the application



According to the pie chart above, the data revealed that 76.9 % of the respondents disagreed that centenary bank use cash based accounting technique followed by 21.2% respondents who were not sure of the accounting technique applied and 1.9% agreed

Table 4.7 shows the positive impacts of accounting techniques to the performance of centenary bank

<i>Accounting issues</i>	<i>Level of response</i>	<i>Frequency (f)</i>	<i>Percentage (%)</i>
Importance of accounting techniques to centenary bank	Not important	1	1.9
	Very important	49	94.2
	No response	2	3.8
	Total	52	100
Reasons why accounting techniques is important	For day to day Financial management	30	57.7
	Capture customer transactions correctly	20	38.4
	No response	2	3.8
	Total	52	100

Source: primary data

The table above shows that most of the respondents (94.2%) considered the accounting techniques to be very important to centenary bank, particularly for day to day financial management (57.7%) , only (38.4%) said that accounting techniques can be useful for capturing customer transactions correctly and accurately.

Table 4.8 show the accounting practices adopted by the centenary bank

<i>Accounting issues</i>	<i>Level of response</i>	<i>Frequency (f)</i>	<i>Percentage (%)</i>
Who is assigned the responsibility for recording bank transaction	The accountants	45	86.5
	Managers	4	7.7
	clerks and tellers	3	5.7
	Total	52	100
Who is assigned the responsibility of maintaining bank records in centenary bank	The clerk and tellers	7	13.5
	The accountants	10	19.2
	The managers	35	67.3
	Total	52	100

Source: primary data

The above table shows that majority of respondents totaling to 45 agreed that accountants are responsible for recording financial transactions and this made a percentage of 86.5% , 35 of the respondents making percentage of 67.3 believed that managers are responsible for keeping bank records

Table 4.9 shows the challenges faced in the application of Accrual accounting technique in centenary bank

<i>challenges</i>	<i>Frequency (F)</i>	<i>Percentages (%)</i>
Inadequate computerized accounting skills	10	19.3
Inadequate technological equipments like computers	10	19.3
Ever changing accounting standards	30	57.7
Others	2	3.8
Total	52	100

Source: primary data

According to the table above, there are numerous factors that can affect the application of the accounting techniques in the financial institutions as 30 of the respondents making the percentage of 57.7% believed that ever changing accounting standards affect the application of accounting techniques

And still the table above it is shown that 10 respondents making the percentage of 19.3% believed that inadequate computerized skills affect the application of accounting techniques and equally 10 of the respondents believed that inadequate technological equipments like computers also affect the application of accounting techniques.

Table 4.10 show the Accountants' adoption to modern accounting techniques

<i>Accounting issues</i>	<i>Level of response</i>	<i>Frequency (f)</i>	<i>Percentage (%)</i>
Ability to use computers for carrying out accounting work	Yes	50	96.1
	No	2	3.9
	No response	0	0
	Total	52	100
Ability to identify some forms through which accounting can be carried out using the computer	Can not list any form/Not literate	7	13.5
	Able to mention three or more forms	35	67.3
	Able to mention only one	10	19.2
	Total	52	100

Source: primary data

From the table above a great percentage of the respondents (96.1%) have appreciable knowledge of operation or use of the computer for originating, maintaining and recording transactions correctly. The researchers also seek to know if the respondents are aware theoretically of forms, programs or devices on the computer which could be used for recording transactions. Most of respondents (67.3%) still confirm their complete literacy, (13.5%) of the respondents could not list any form /not literate.

It is evident from the study that accounts are familiar with some principles of accounting but are proficient in most of the operational procedures of recording accurate transaction which is very essential to good practice of continuous assessment on which national policy on financial institution recommendation that the progress of the USA bank should be based.

It was also found out that accountings keep separate records for customers. Infarct in many of the banks records either customer are kept in one single ledgers.

Accountants in centenary bank adopted a centralized record keeping center, usually located in the head manager's office; they are also responsible for maintaining and retrieving items of records.

CHAPTER FIVE

SUMMARY OF FINDINGS, CONCLUSION AND RECOMMENDATION

5.0 Introduction

This chapter presents the discussion and the findings from the previous chapters. It was on this basis of chapter four with reference to research objectives and the aid of literature review where the conclusion and recommendations were made. The four objectives of this study were, to examine the accounting technique used in centenary bank. The second objective was to determine the ability of centenary bank to record, interpret, analyze and report financial information. And the last objective was to determine the level of success of centenary bank.

The analysis, interpretation and evaluation of data and information found in the field were correctly performed; therefore, the conclusion and recommendation given below were precisely derived from the chapter and area mentioned.

5.1 Summary

Explanatory studies were used to establish the impact of accounting techniques on performance of centenary bank; with a case study centenary bank kabalagala branch. Different variables that may influence the effectiveness of applying accounting techniques on performance of centenary bank were thoroughly measured. It was observed accrual accounting, customer care and loan management play a significant role in influencing the performance of centenary bank and the banking industry as a whole, this was so because a well applied accounting technique results into quality performance of banks through proper recording of transactions, accuracy, proper planning, loan management and accountability to mention but a few in the banks.

The findings pertained to the objectives were presented and interpreted as shown below:

Majority of the employees in the centenary bank were females as they made a percentage of 71.2%. More so many of the employees were in the age group 30-39 as represented by a percentage of 57.3%. As concerning the level of education of the respondents, majority of them had degrees as represented by a percentage of 51.9% and majority of the respondents were in the position of tellers as represented by the percentage of 48.1%.

The researcher has found out that it is very important for every bank to apply accrual accounting so as to achieve the goals and objectives of providing financial services to its customers in their areas of operations. If the rightful principles of financial accounting are applied during carrying out transactions in the banks most of its records will ever be accurate and corrects.

Due to the fact that the international accounting standard board require all public listed companies to use accrual accounting technique, 76.9% of the respondents responded positively to the question whether the bank apply accrual accounting technique. The study also revealed that proper application of accrual based accounting in centenary bank has numerous positive effects but main one being the overall improvement on the day to day financial management

There is however some challenges that are hindering the proper application of accrual accounting technique in centenary bank with the main challenge being Ever-changing accounting standards, inadequate technological equipment such as computers, inadequate computerized accounting skills

5.2 CONCLUSION

It is of paramount importance for banks; both commercial and non commercial banks to apply accrual accounting technique if it is to perform to the required level .most banks have their major motive of profit maximization and are only possible through the application of the best accounting technique

5.3 RECOMMENDATIONS.

On the basis of this research work performed, the researcher recommended the following with the aim of improving the application of accrual accounting technique in centenary bank. And hence ensured that the policies, goals and the objectives as well as the strategies practiced in putting in place a functional accrual accounting technique so as to have excellent performance.

The researcher therefore gave the following recommendations so as to have a good application of accrual accounting technique in centenary bank.

Establish rules, standards and principles to guide accountants on the application of accrual accounting technique they should observe the right accounting procedures in applying accrual

accounting technique. Those who fail to follow the principles, rules and standards need to be cautioned so as to prevent future loss of resources.

Ensuring close working relationship between the different departments of centenary bank .Its very important for different departments in centenary bank to work hand in hand so as to ensure that the activities of the departments are monitored by other departments. When the departments work closely together, it will be hard for the employees to violet the performance of centenary bank.

Sensitization of the public and all the accountants about existing principles, standards and rules governing accrual based accounting and their impacts on the performance on centenary bank. The research work has also observed that many people do not know much about the professional ethics that are supposed to be observed by those working in the centenary bank.

Ensuring maximum customer care. Those workers working in the bank need to show a lot of care to their customers because customers are their bosses. The workers are accountable to their customers. When customers are not treated with much care they may opt to leave the bank and join any other bank because there are many banks looking for customers

REFERENCES

- Armin. M (2004) foundation of statistical inferences for social research, Maker ere University Kampala Uganda
- Bailey. K.D, (1994) methods of social research, a theoretical framework American Sociologist. Vol 19 pg 121-137.
- Dens be, M,(1994) The good research guide for small scale projects, New York Open University press.
- Armin. M (2008) over viewing the methodology of research, department of higher e Education school of education Maker ere University.
- Kothari C.R,(2002)research methodology, methods and techniques 2nd edition Wishwa Prakasham.
- Hessler. R. (1988) social science research method New York and loss angels west Publishing company.
- Best.J.W and Khan. J Research education, New York prentice 1993.
- Schrage (1988) Element of theoretical analysis in sociology Liewllyn, New York.
- Soberge.G. & Nelt R. (1968) Methodology social research New York.
- Berenbach Shari and Craig Churchill," Regulation experience from Latin America, Asia and Africa" Micro finance network occasional paper No. 1, 1997
- Chaves, Rodrigo and Claudio Vega The design of successful rural Financial intermediaries World development Vol 24 NO1, 1996.
- Almeyda, Gloria, money matter, reaching woman entrepreneur with financial services

Inter American development bank Washington, Dc 1996

Bennett Lynn and Carlos cuevas (Guest editors) sustainable banking with the poor. special
Issue of journal of international development, Vol. 8 No2 (March-April 1996).

Asian journal of business management science ISSN: 2047-2528 Vol.1 No.2 (150-156) society
For business research promotion

Asian journal of business management science ISSN: 2047-2528 Vol.1 No.2 (150-156) society
For business research promotion 152 Park and Weber(2006)

APPENDICES

APPENDIX A

Research instruments

(a) Questionnaire:

RE: ACADEMIC RESEARCH ON THE IMPACTS ACCOUNTING TECHNIQUES AND PERFORMANCE OF CENTENARY BANK (KABALAGALA BRANCH):

I am pleased to inform you that you are one of the employees who were selected to respond to this questionnaire. The data collected using this questionnaire will be used to compile an academic research report to be submitted to Kampala international University for the award of a bachelor degree of business administration.

You are cordially requested to spare some time and fill this simple questionnaire. The information obtained through this questionnaire shall be used for a fore mentioned purpose and shall be taken with utmost confidential. For this reason I don't seek to know the name or identity of any respondent

Yours faithfully

Akugizibwe Asaba

RESEARCHER.

SECTION A
CHARACTERISTICS OF RESPONDENTS

A1 Sex: Male ☐ Female ☐

A2 Age: 20-29 ☐ 30-39 ☐ 40-49 ☐ 50-60 ☐

A3 Level of education:
PHD ☐ Masters: ☐ Degree ☐ Diploma ☐
Certificate ☐

Others specify.....

A4 Position: Accountant ☐ Cashier ☐ manager ☐

Others specify.....

(B) INTERVIEW GUIDE

I will also use interview guide method of data collection; will conduct oral interviews with managers, accountants, cashiers tellers, loans officers. A checklist to reduce bias and maintain consistency will be designed to guide the interviews.

1. What are the positive impacts of accounting techniques to centenary bank?
2. What are the accounting technique practices adopted by the centenary bank?
3. What is the level of adoption to modern accounting techniques approaches in centenary bank?
4. What are the challenges faced in the application of accounting techniques in centenary bank?
- 5 .What is the level of performance of centenary bank

APPENDIX B
RESEARCH BUDGET

	TYPING SERVICE	AMOUNT
a)	Typing Proposal 45pages@ 500	22500
b)	Typing dissertation	25000
	STATIONARY	
C)	Writing paper 1 Ream	15000
d)	Assorted pens and pencils	3000
e)	Binding	25000
f)	Photocopying Questionnaires	15600
g)	Miscellaneous	30000
h)	printing	45000
	GRAND TOTAL	181100

APPENDIX C

TENTATIVE IMPLEMENTATION SCHEDULE

ACTIVITIES	1st week	2nd week	3rd week	4th week
Instrument design				
Instrument revision				
Data collection				
Data analysis and interpretation				
Writing of the correlated thesis Binding and Submission				

APPENDIX D
PLAN FOR DATA PRESENTATION

CATEGORY	FREQUENCY	PERCENTAGES
GENDER		
Male	15	28.8
Female	37	71.2
EDUCATIN LEVEL		
Masters	1	1.9
Degree	27	51.9
Diploma	18	34.6
Certificate	5	9.6
AGE		
20-29	15	28.8
30-39	30	57.7
40-59	7	13.5
50-60	0	0

LEVEL OF DEPENDENT VARIABLE

ITEM	STATEMENT	AGREE	DISAGREE
A	A lot of new jobs created by centenary bank	45	7
B	Centenary bank makes a lot of profits	39	13
C	You make a lot of sales per year	49	3
D	Ability to record and Interpret Financial transactions	32	20
E	Ability to analyze financial statement	50	2
F	Ability to audit and interpret	40	12
G			