

**TAX POLICY AND PERFORMANCE OF SMALL AND MEDUIM ENTERPRISES IN
JUBA CITY, CENTRAL EQUATORIA STATE, SOUTH SUDAN**

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ABSTRACT

Tax policy refers to what taxes governments choose to levy, in what amounts, and on whom. It concerns broad issues such as how much tax the government needs to collect in order to pay for expenditures and the effect that taxes can have on overall economic activity. It also concerns issues of fairness -who should pay taxes, and how much - and efficiency, or whether taxes will have a distortive effect on performance of SMEs in Juba City, Central Equatoria state, south Sudan. A relationship between tax policy and performance of small and medium enterprises was established in the study. The study was carried based on the specific objective, that is, i) To establish the extent of tax policy in Juba city, Central Equatoria state, south Sudan, ii) To determine the level of performance of SMEs in Juba city, Central Equatoria state, south Sudan, iii) To establish the relationship between tax policy and performance of SMEs in Juba city, Central Equatoria state, south Sudan, the independent variable (Tax policy) has four indicators, that is, provision of tax relief, Reduction of tax rate, Tax reform and Tax exemption. The dependent variable (performance of SMEs) is having four indicators, and this are; profitability, market share, sales volume and financial growth. Descriptive correlation design was used to determine the relationship between variables, testing of hypothesis and in development of generalizations. Sample size of 200 respondents were chosen from a population of 250 people, and a questionnaire and interviews guide were used in gathering data from the respondents. the findings from the respondent profile revealed that, majority of them were males whose ages ranged from 32-42 years, and majority were SMEs senior managers with diploma qualifications. The study study's findings revealed that extent of tax policy in Juba city, central Equatoria state, south Sudan is generally high and this was indicated by the overall mean of 3.17. the study also revealed that the level of SMEs performance is satisfactory indicated by the overall mean of 3.73. the findings also revealed a positive relationship between tax policy and performance of small and medium enterprises in Juba city, central Equatoria state, south Sudan because the significant value of (0.000) was less than 0.05, implying that effective tax policy improved on performance of small and medium enterprises in Juba city, central Equatoria and south Sudan as all.