

**FINANCIAL CONTROLS AND CASH FLOW MANAGEMENT IN SMALL SCALE  
ENTERPRISES OF NAKAWA DIVISION, KAMPALA, UGANDA**

**BY**

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**A RESEARCH REPORT SUBMITTED TO THE COLLEGE OF ECONOMICS AND  
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## DECLARATION

I declare that the work in this proposal is my original work, done to the best of my knowledge and has not been submitted for any award in any other university or institution of learning.

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## APPROVAL

This research proposal entitled “financial controls and cash flow management; a case study of small scale enterprises in Nakawa Division, Kampala, Uganda” has been done under my supervision as a university supervisor and submitted to Kampala international university for examination with my approval.

**DR. KINYATA STANLEY**

Signature:  .....

Date: 1/7/2013 .....

## DEDICATION

I Murwani Nolda I dedicate this piece of work to my dearest parents Mr. Murwani Girison and Mrs. Tumusiime Dalia for their parental care, support, encouragement and ability to enthuse me since my childhood.

## ACKNOWLEDGEMENTS

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May the almighty God bless you

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## ABSTRACT

The study was to correlate between financial controls and cash flow management among small scale enterprises in Nakawa division. It was guided by the following objectives; to determine the profile of small scale enterprises in terms of ownership, gender, years in existence and type of goods dealt, to determine the quality of financial controls among small scale enterprises, to determine the extent of cash flow management among small scale enterprises and to determine the relationship between financial controls and cash flow management among small scale enterprises in Nakawa division.

The study used a survey research design involving quantitative and qualitative designs to correlate financial control and cash flow management in small scale enterprises. This is because it involves a big sample of respondents on which detailed analytical explanatory qualitative as well as quantitative research was conducted. Qualitative research design was employed because it emphasizes linguistic data, as opposed to numerical data while quantitative method was used to collect data on numerical variables.

It was discovered that financial management helps organizations to achieve their missions and strategic objectives by ensuring resources are effectively collected and used, and accurately accounted for. Therefore financial management covers many aspect of the business such as credit risk, performance indicators, information and management systems, the administrative budget and market risks. Financial management can be improved by increasing borrowing (lending), or by putting more money into the business. It was established that most business people used manual accounting system in their businesses other than computerised accounting systems. Financial records of the business consists of the purchases, sales records and profits. The findings reveal that business enterprises keep creditors and debtors records. The components of cash inflows include; invoices, cash books and debtors account. There are also cheques, receipts and ledgers.

The study recommends that small scale enterprises should put more convenient and less cumbersome processes for accessing financial products if they are to cater for the small business groups.

## **CHAPTER ONE**

### **INTRODUCTION**

#### **1.0 Introduction**

This chapter shows the background of the study, problem statement, purpose of the study, objectives, research questions, hypothesis, scope of the study, significance of the study and conceptual frame work.

#### **1.1 Background to the study**

Financial control is the management of a firm's costs and expenses in relation to budgeted amounts. Studies have confirmed that financial control is intended to help organizations achieve their missions and strategic objectives by ensuring resources are effectively collected and used, and accurately accounted for. Schoeman, (2000) denotes that financial control is called upon to express a second opinion on certain aspects of the organization's financial policies and their implementation. However, according to Womack & Flowers, (1999), financial control covers all the activities of the organization whose data streams have an important impact on its financial position, such as credit risk, performance indicators, information and management systems, the administrative budget and market risks. Thus, the financial control function includes analyzing financial management instruments as well as the associated systems.

Cash flow management is the process of monitoring, analyzing, and adjusting business cash flows. According to Stone et al (2003), Cash flow management is the movement of money into or out of a business, project, or financial product. It is usually measured during a specified, finite period of time. Measurement of cash flow can be used for calculating other parameters that give information on a company's value and situation. Cash flow can be used, for example, for calculating parameters to determine a project's rate of return or value. The time of cash flows into and out of projects are used as inputs in financial models such as internal rate of return and net present value, (Upton, Teal & Felan, 2001).

Cash flow can also be improved by increasing borrowing (lending), or by putting more money into the business. This is acceptable for coping with short-term downturns or to fund growth in line with the business plan, but shouldn't form the basis of day-to-day cash flow management. Loxley et al, (2000) contends that for small businesses, the most important aspect of cash flow management is avoiding extended cash shortages, caused by having too great a gap between cash inflows and outflows.

Many management accounting systems have evolved over the years, and these include financial planning and control systems. Financial planning is the adaption of the broad objectives, strategies and other plans of an organization into financial terms (Welsch, Hilton & Gordon 1999:72). Today, nonfinancial indicators such as competition, availability of resources, quality and customer satisfaction are also being used by management in their decision making. Management accounting systems help managers and staff members with decision making, and with planning and control by gathering and supplying them with the financial and nonfinancial information they need (Drury 2004:7); (Garrison, Noreen & Seal 2003:2).

Financial control systems should be used by all enterprises including those in the informal sector. Research indicates that there is a widely held view that many new businesses fail at a startling rate (Monk 2000:12; Perry 2001:205). When assessing the current state of an organization's financial controls, begin by determining which financial processes pose the most risk. One way internal auditors can assess financial controls is by looking at all of the functions and processes in accounting and finance and asking if a process were broken and activities were not getting done correctly, how much trouble would that cause the organization.

Research on small firms revealed that enterprises with a formal planning system appeared to be more profitable than those without, and also that smaller firms were less likely to have formal plans (Masurel & Smit 2000:101). In this context, a formal plan means a written plan as opposed to an intuitive plan. These findings indicate that if any enterprise, which includes micro and small enterprises, wishes to be successful in the current market, it needs to rethink the role its planning and control systems play in the organization.

The management of a firm's costs and expenses in relation to budgeted amounts is called financial control. Any measure of how well a company or department controls its cost, sometimes expressed as how far under or over budget it is. Controls are the regulatory authorities. Financial controls is the management of a firm's costs and expense in relation to budgeted amounts (Campbell, Harvey 2004). According to Farlex (2009), financial control is any measure of how well a company or department controls its costs, sometimes expressed as how far under or over budget it is.

While the data about informal activities are somewhat unreliable, there is consensus that the informal sector is steadily growing in almost all developing countries, for example in Latin America, 8.4 of every ten new jobs created between 1990 and 1994 were in the informal sector; in Asia, the informal sector absorbs between 40 and 50 percent of the urban labour force, and in Africa, the urban informal sector currently employs some 60 percent of the urban labour force and will create more than 90 percent of all additional jobs in this region (ILO, 1997).

The informal financial controls and cash flow management are limited to the social surplus funds which are transferred directly to the entrepreneurs who engage in productive investment for the investment and financing process. Informal financial controls were very well developed in recent years. This has not been approved by regulatory authorities the reason why the financial controls have great vitality, an important reason is that the informal sector has brought a lot of their funding requirements. It is precisely the informal financing in a considerable portion designed for informal sector services, to fill the funding gaps in supply and demand of the market; this activity has been largely supported by local government.

In Uganda the principal means of informal financing activities-based on the informal small and medium enterprises through the normal channels is difficult to meet the funding needs of the reality, in some economically developed areas of informal financial activities has always been very active private enterprises to become entrepreneurial and business operations to solve an important channel of funds.

Although the regulators have repeatedly severely restricted all forms of private financing activities, non-governmental “arbitrary fund-raising” activities strictly banned, but the objective existence of informal financial activities is still an indisputable fact.

In Uganda’s context, informal finance is an important instrument for improving the growth and development for enhancing productive capacity through financing investment by the poor in their human and physical capital. An investigation of household and small backgrounds finance control thus has implications that link together micro-level analysis with factors that determine long-term macro-economic performance. (Binswanger & Khandker, 1995; Heidhues 1995).

In many developing countries, and lately increasingly so in many industrialized countries, the vast scale and rate of growth of the informal sector presents a dilemma and a challenge for governments, social partners and the civil society alike. A dilemma, as the informal sector encompasses employment situations which not only differ from those in the formal sector, but also infringe upon established rules and laws. A challenge as it absorbs a large and growing fraction of the labour force, and provides a safety net for the poor, finding themselves excluded from formal employment and income opportunities.

## **1.2 Problem Statement**

Despite of the ever new increasing small scale enterprises in Uganda, 90% fail due to poor cash flow management. This is indicated by over or under estimates, over charges on customers and low sales. This problem of poor cash flow management is likely to result into mishaps by owners and managers who not educated and make improper decisions, collapse of the business and poor inflows. Many factors are responsible for the poor inflows and out flows in small scale enterprises and they include debtors, stock and creditors poor control, poor planning and inadequate quality financial information, too high borrowing, overhead expenses and indirect costs, decrease in prices, over taxation by government, poor credit ratings with customers and owners drawings. Although many study have been conducted or carried out, enough has not been investigated on financial controls and cash flow management in small scale enterprises of Uganda. Therefore, it is upon this basis that the study is to correlate financial controls and cash flow management in small scale enterprises.

### **1.3 Objectives of the Study**

#### **1.3.1 General objective**

The general objective of the study was to correlate between financial controls and cash flow management among small scale enterprises in Nakawa division.

#### **1.3.2 Objectives of the study**

- i. To determine the profile of small scale enterprises in terms of ownership, gender, years in existence and type of goods dealt in.
- ii. To determine the quality of financial controls among small scale enterprises in Nakawa Division.
- iii. To determine the extent of cash flow management among small scale enterprises
- iv. To determine the relationship between financial controls and cash flow management among small scale enterprises in Nakawa division

### **1.4 Research Questions**

- i. What is the profile of small scale enterprises in terms of ownership, genders, years in existence and type of goods dealt in?
- ii. What is the quality of financial controls among small scale enterprises in Nakawa Division?
- iii. What is the extent of cash flow management among small scale enterprises

### **1.5 Hypothesis**

There is no significant relationship between financial controls and cash flow management among small scale enterprises in Nakawa Division

## **1.6 Scope of the Study**

### **1.6.1 Content Scope**

The study focused on the financial controls and cash flow management in Nakawa division. It mainly concentrated on finding the extent to which finance is controlled in informal sector, assessing the financial cash flow management and examining the relationship between financial controls on cash flow management.

### **1.6.2 Geographical Scope**

This study was carried out in Nakawa division, Kampala Uganda. Nakawa is one of the divisions, which make up Kampala district the capital city of Uganda. Kampala City Council located in central region of Uganda. It borders Wakiso district in the South and Southeast and Mukono district in the North and Northeast. It was chosen because of the fact that it is one of the areas which have many informal institutions and for convenience of the researcher.

### **1.6.3 Time scope**

The study mainly focused on the period of five years of the financial records of the selected businesses in the division. This period is long enough to reveal the necessary information on financial controls and cash flow management.

## **1.7 Significance of the Study**

Economists shall benefit from this research as the study shall provide them with information about financial control and cash flow management details.

The findings of the study will go along way into helping companies define their financial policies, which improve their financial control and cash flow management.

The findings will also help companies realize the benefits of better financial control and cash flow management.

The study will help policy makers to identify the appropriate financial control and cash flow management systems to be under taken to promote the company.

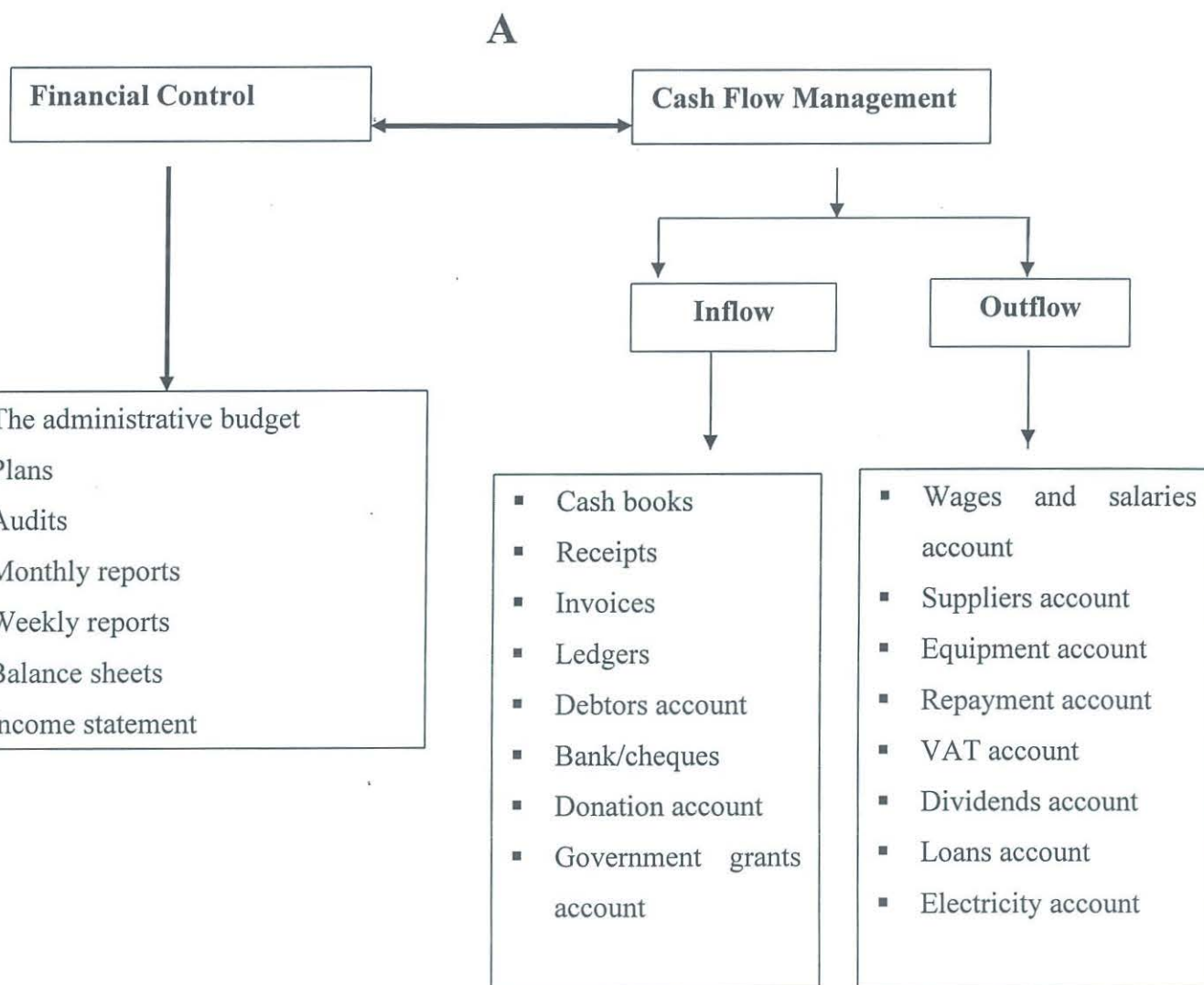
### 1.8 Definition of key concepts

Cash flow management as the actions of the management of an organization taken to ensure that the costs incurred and revenue generated are at acceptable levels.

Financial control is the management of a firm's costs and expenses in relation to budgeted amounts.

### 1.9 Conceptual Frame Work

The conceptual frame work presented below is to show the relationship between financial controls as independent variable and cash flow management as dependent variable.



### **Explanation of the conceptual frame work**

Financial controls as independent variable (IV) and cash flow management (DV), the frame work investigated that financial controls can be achieved through proper administrative budgets, audits (internal audit), monthly reports, weekly reports and preparation of financial statements like income statement, balance sheet and statement of cash flow, where the arrow A; explains that proper financial controls will lead to better cash flow management in small scale enterprises. More proper records of inflows like cash books, invoices, ledgers, receipts and out flows records like wages and salaries account, payments account, creditors account, loans account are managed effectively.

## **CHAPTER TWO**

### **LITERATURE REVIEW**

#### **2.0 Introduction**

This chapter presents theoretical review, the quality of financial controls in small scale enterprises, cash flow management in small scale enterprises and the relationship between financial controls and cash flow management.

#### **2.1 Theoretical review**

A theory is a systematic grouping or interdependent concepts and principles that gives a frame work to or ties together a significant area of knowledge (Sarantakos, 1997). Locke (1979) defined the theory as a set of systematically tested and logically interpreted proportions that have been development through research and that explain social phenomena

According to Mugenyi, (1992) financial control refers to the control of financial resources as they flow into the organization, and are held by the organization, or cash flow out of the organization. Financial control involves managing the organizations debt, cash flow and receivables/payables.

This aspect of financial control is very broad and important. But for the purpose of this study, it will be restricted to transaction recording, lodgement into bank and cash and bank balances. The most important control here is a good segregation of duty control. This means that ensuring that the critical factor earlier mentioned is considered i.e. Receipt, custody and recording of cash transaction.

In terms of financial control measures to enhance good governance managers of a business should focus on the available resources such as physical, human, information and financial resources (Smit and Cronje, 1992: 433also Schutte, 2000: 102-103). Financial management is pivot on which the control process hinges. The budget and financial analysis are viewed as the two tools with which control over financial resources can be exercised successfully. In addition, internal financial audits as well as formal external audits form a basis for control purposes.

It is against the abovementioned backdrop that an accounting officer will develop internal financial systems to prevent deviations from the planned activities and standards in order to ensure that the objectives of an institution are attained with the least possible deviations. In this case the correct and up to date information is of vital importance to exercise effective control. The control system provides business owners with the necessary information to determine if the departmental activities are operating according to the pre-determined plans (Coe, 1989: 121-122).

It should be noted that the control process is comprehensive covering both the approach to establish a system for effective control and an approach to exercise control once the system has been developed and approved. The management control process in business is not a simplistic step-by-step procedure that can be rigidly and mechanically applied to every control system (Mockler, 1972:18-19). The elements of the control framework in business are determined to enhance good financial performance management: The prerequisites for an effective internal control system hinges on the following (Abedian, 2000:8-9):

Sound expenditure management system; Budgeting and expenditure management complement each other in the way that the allocation of funds are done with the expectation that the funds are

being utilized efficiently and effectively, for the purpose for which they were provided. Budgets are strategic planning instruments which, if not properly constructed, will result in a misallocation of funds that will prevent the effective realization of specific projects, activities or programmes.

The purpose of financial controls system in the business sector is to support management in the deployment of limited resources with the aim to ensure economical and efficient delivery of outputs (services/goods produced by business sector entities in terms of quantity, quality, cost and time) required to achieve desired outcomes (effectiveness) that will satisfy the needs and aspirations of the business.

Financial controls embraces daily cash management as well as the formulation of medium and long-term financial objectives, policies and strategies towards the manifestation of the operational plan of the organization. It includes the planning and control of capital expenditure, working capital management, funding and performance decisions (Plessis, 2000). Furthermore financial control supervises the supporting of the financial and management accounting functions and the internal control environment.

Effective management information system; It is important that management should have useful and reliable information in order to evaluate the operations of the structure. The information system and its operators need to ensure that full and proper records are kept of the affairs of the public sector entity. Information systems needs to be designed in such a manner that it measures costs and the key performance indicators considered essential by management in their assessment of the entity's success or failure. The accounting system that produces financial

statements needs to complement other management systems such as the cash management, budget and debtors' management (Shall, 2000: 13-14).

Follett Parker Mary (1999) defines informal sectors as the interlocking social structure that governs how people work together in practice. It is the aggregate of behaviors, interactions, norms, personal and professional connections through which work gets done and relationships are built among people who share a common organizational affiliation or cluster of affiliations. It consists of a dynamic set of personal relationships, social networks, communities of common interest, and emotional sources of motivation. The informal organization evolves organically and spontaneously in response to changes in the work environment, the flux of people through its porous boundaries, and the complex social dynamics of its members.

Cash flow is an important concept to understand when evaluating a company's overall financial health. It removes the effects of accounting methods, and delivers a clearer picture of the inflows and outflows of money. It's also useful when trying to understand the impact a new investment or project can have on a company's finances.

The easiest way to think about the concept of cash flow is this: It's the actual inflow and outflow of money from a company. It removes all of the accounting adjustments that appear on an income statement such as deferred income taxes and depreciation, and allows the analyst to see a company's earning power and operating success in a slightly different way. It also takes into account some very practical considerations such as inflation. Perhaps the most important value that understanding cash flow provides to the investor is the ability to know if a company has enough resources to meet its future operating expenses, (Bush, 2002).

## **2.2 The quality of financial controls in small scale enterprises**

Christianson (1999) suggests that, informal financial control was set up as part of measures to tighten finance within the sector, is responsible for general accounting and for preparing the sector's financial statements. Informal financial control is also called upon to express a second opinion on certain aspects of the sector's financial policies and their implementation.

Informal financial control covers all the sector's activities whose data streams have an important impact on its financial position, such as credit risk, performance indicators, information and management systems, the administrative budget, and market risks. Thus, the financial control function includes analyzing financial management instruments as well as the associated systems.

According to Wakoko (2003), in the 1990s Ugandan farmers became increasingly interested in Micro Financial Resources (MFRs) that were being promoted nationally as important means for poverty alleviation. In Arua and Mukono, households diversified their income generating strategies through informal financial institutions. The author establishes that participation in informal financial groups is the most important micro financial resource promoting household's empowerment in Ugandan rural. Both women and men use informal financial groups more than any other source of microfinance.

According to Arsegianto (2010) making the most efficient use of your financial resources is critical to the success of any producing company. Finance and accounting comprise the universal business language and help you manage your resources effectively. Planning and decision – making that occur in an informal financial context permit better application of recourse and promote competitive advantage. An understanding of accounting also allows a company to trace a competitor's actions from its financial statement and to plan accordingly.

According to Lalich, (2004), financial control includes key financial targets for which managers are held accountable. These types of control are common among firms that are organized as multiple strategic business units. Strategic business units are product, service, or geographic lines having managers who are responsible for the strategic business unit profits and losses. These managers are held responsible to upper management to achieve financial targets that contribute to the overall profitability of the corporation.

Managers who are not strategic business unit executives often have financial responsibility as well as Individual department heads are typically responsible for keeping expenses within budgeted guidelines. These managers, however, tend to have less overall responsibility for financial profitability targets than strategic business unit managers.

In either case, financial control place constraints on spending. For strategic business unit managers, increased spending must be justified by increased revenues. For departmental managers, staying within budget is typically one key measure of periodic performance reviews. The role of financial control, then, is to increase overall profitability as well as to keep costs in line. To determine which costs are reasonable, some firms will benchmark other firms in the same industry. Such benchmarking, while not always an "apples-to-apples" comparison provides at least some evidence to determine whether costs are in line with industry averages.

### **2.3 Cash flow management in small scale enterprises**

Investors, creditors, and managers use cash flow information to make decisions about a company's ability to meet obligations, or to take advantage of business opportunities. Information about a current period's cash flows provides a basis for predicting the amount, timing, and certainty of future cash flows. Cash flow information is also useful in evaluating the

liquidity, solvency, and financial flexibility of a company. Liquidity refers to the ability of a company to pay its current liabilities with existing liquid assets. Solvency is the ability to pay all debts as they come due. A company may wish to raise money by issuing shares, for instance. Financial flexibility relates to the ability of a company to use its resources to adapt to change and take advantage of business opportunities as they arise.

According to Todd, (1996) in homesteads women's control over financial resources is increasingly seen as a key factor in explaining these mixed results. While only a limited number of assessments exist that focus on this issue, the available evidence highlights that a significant part of women, who may have access to finance, may not have control over the loans contracted. About 63% of women's loans are actually invested by male relatives, while women bear the formal responsibility for repayment in a Bangladesh programme. Women borrowers in the Grameen Bank, 10 of 40 women in the sample were passing on all or most of their loans to male family members under circumstances that gave them little control over the use of this capital (Todd, 1996).

On the other hand, the loss of control over financial resources does not necessarily mean that women are worse off in terms of increased social and economic opportunities even when women lose control over the use of their loans, their overall status in the household may improve due to their role as a financial mediator; handing over loans to men may help to secure family stability by easing cash flow bottlenecks in the household; women may also use credit as a bargaining chip to gain access to other opportunities offered by financial institutions, such as training, education and information.

However, the benefits are significantly influenced by other socio-cultural factors. For example, participation in informal financial groups increases women's decision-making power over non-traditional matters—household income control, but not over women's traditional issues – agricultural production. On the other hand, rural men's empowerment is associated with their use of informal loans from individuals – friends, relatives or merchants. For women, individual-level factors such as occupation (farming, trading), and household level factors, notably household headship, have a profound influence on women's empowerment in both traditional and non-traditional spheres of decision-making, Dave Burley (1990).

In contrast, rural men's empowerment is mainly associated with their gender rather than with household level conditions. The study recognizes the limits of the transformative capacities of MFRs, especially of the more formal sources of credit, and it shows that finance empowerment does not necessarily lead to a transformation in gender relationships. It concludes by advocating an integrated approach to microfinance delivery in Uganda, since the integrated informal sources offer the best opportunities for rural farmers in general and women in particular.

#### **2.4 Relationship between financial controls and cash flow management**

According to Worrell (2009), in order to effectively manage Cash Flow in business, one must understand the relationship between cash flow statement, income statement and balance sheet, and what these financials are telling you. The cash flow budget is the first step in developing your cash flow statement, utilizing the numbers generated through your profit analysis and income statement and your balance sheet. The cash flow budget is a great tool to manage and plan your levels of cash flow

The objective of the statement of cash flow is to facilitate an understanding of the financial consequences of business activities by providing detail pertaining to the sources and uses of a company's cash. While the income statement and balance sheet are based on accrual accounting, the statement of cash flow is intended to represent the cash-flow consequences of business activities. Most of the challenge with preparing and ultimately understanding, the statement of cash flow is due to a failure to appreciate the relation between the statement of cash flow and other financial statements

Internal controls are needed for cash management activities to ensure that procedures are followed and fraud and theft does not become a problem. You may set internal controls in cash management systems through personnel policies or technological processes. For example, you can implement a segregation of duties among employees who handle goods shipment activities and those who receive checks from customers and make collection calls (Altman, 1998).

In conclusion, various researches have highlighted on the informal financial management, the extent to which finance is controlled but little has been discovered on the relationship between financial controls and cash flow management. This research will therefore try to establish these details in the study.

## **CHAPTER THREE**

### **METHODOLOGY**

#### **3.0 Introduction**

This chapter contains the research design, population of study, sample size, sampling techniques, data collection instruments, validity and reliability, data collection procedures, data analysis and limitations of the study.

#### **3.1 Research Design**

A survey research design was used in this study to correlate financial control and cash flow management in small scale enterprises. The study used a survey design because it involves a big sample of respondents on which detailed analytical explanatory qualitative as well as quantitative research was conducted. Qualitative research design was employed because it emphasizes linguistic data, as opposed to numerical data while quantitative method was used to collect data on numerical variables. This helped the researcher to ensure that accurate and reliable information is collected for the study.

#### **3.2 Study Population**

The study population included small business owners in different parts of Nakawa division. There are over 11,003 small business owners in Kampala (Kyejjusa et al, 2010), grouped under professionals and non professionals or services based and goods based. It is from this that the sample size was selected.

#### **3.3 Sample Size**

The researcher used Sloven's formula to come with a sample size to be used in the study. Slovens formula states that given a population, the minimum sample size is given by

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

Where n=required sample size

N=-the known population size

e =the level of significance which is fixed at 0.05

Basing on the formula, the minimum sample size will be;

$$n = \frac{11003}{1 + 11003(0.05^2)}$$

$$n = \frac{11003}{28.51}$$

$$= 385.9$$

$$= 386$$

Therefore the study chose 386 as small scale enterprises to be used in the study.

### 3.4 Sampling technique

Stratified random sampling technique was used to come up with a representative sample. Sloven's formula has been developed which the researcher can obtain a sample size which was appropriate for the target population the researcher intends to carry out her research.

### 3.5 Data Collection Instruments

The researcher used questionnaires to obtain data from the selected sample of respondents using self-administered questionnaires with closed and open-ended questions. Close-ended questions provided the respondents with a variety of responses to choose from and open-ended questions sought more details from respondents by allowing them to explain more about the topic. The researcher designed likert scale questions for easy collection of data from respondents.

**Questionnaire;** Both open and closed ended questions were employed. In the Closed ended questions respondents were required to provide answers by putting a tick in the provided square

boxes besides the pre-determined answers of their choice. With the open ended questions, respondents wrote their answers in the provided space.

**Interviews;** Data collection was also made through personal interviews with the respondents. The interviews were conducted with the key informants in the study and used an interview guide to direct the discussions. This helped the researcher to find out the information that were not generated in the questionnaires and other relevant in-depth information concerning financial control and cash flow management among small scale enterprises.

**Observation;** To support the data collected from interviews and questionnaires, the researcher also used his optical eyes to witness or verify the given data with the aid of observation list on different issues like how cash flow is management in the informal sector through observing the book keeping.

### 3.6 Validity and Reliability

Content validity was used to ensure validity of the instrument. This was done using experts judgment. The questionnaire was to two experts to check the relevance of questions. Then content validity index was calculated using the following formula;

$$\text{Content Validity Index (CVI)} = \frac{\text{Number of questions declared valid}}{\text{Total number of questions in the questionnaire}}$$

A content validity index of 0.7 was used to declare the questionnaire valid

Reliability of the instrument was ensured through pretesting to ensure the tool going to be used is above average and reliable. A questionnaire was administered to ten (10) in one week and after two weeks it was re-administered to the same.

The Pearson correlation coefficient was used to correlate the results of the two. The minimum re-value of 0.75 was used to declare the instruments reliable.

### **3.7 Data collection procedure**

The researcher obtained an introduction letter from the Head of Department of Applied Economics and Management Sciences of Kampala International University (KIU) that was delivered to the various respondents to seek their permission in providing relevant data for the study. The research questionnaires were distributed to the respondents to fill and latter collected. The study was administered the interview guide personally to each respondent who gave his/her opinion and at the same time, the supervisors were noting responses.

### **3.8 Data Analysis**

The researcher entered the data statistically by use of computer and editing was done to remove errors and for completeness checks. The researcher analyzed the data by use of frequency counts and percentages. Also means, standard deviation and Pearson correlation equally helped in the analysis of data to draw meaningful conclusions.

### **3.9 Limitations of the study**

Some respondents were not willing to give information. The researcher however tried to explain clearly to the respondents that the purpose of the research is purely academic and that information was treated with confidentiality.

There was also limited time for interviewing the respondents since they were busy with their obligations. The questionnaires were worded clearly to save time.

The whole process was expensive especially with secretarial work including typing, editing, materials like papers, pens and facilitation on food and transport cost.

## **CHAPTER FOUR**

### **DATA PRESENTATION, ANALYSIS AND INTERPRETATION OF THE FINDINGS**

#### **4.1 Introduction**

This chapter presents the results and interpretation of the findings meant to correlate between financial controls and cash flow management among small scale enterprises in Nakawa division. This chapter is organized in to two sections. The first section covers the demographic characteristics of the respondents and the second section presents the findings of the study in accordance to the research objectives. The research objectives include; To determine the profile of small scale enterprises in terms of ownership, gender, years in existence and type of goods dealt, To determine the quality of financial controls among small scale enterprises, To determine the extent of cash flow management among small scale enterprises and to determine the relationship between financial controls and cash flow management among small scale enterprises. The findings of the study are presented as below.

#### **4.2 Background information of respondents**

There was great need to collect data on biographic characteristics of respondents such as gender, age group and education. This was useful in establishing the distribution of knowledge between financial controls and cash flow management in small scale enterprises among the respondents. This was done by putting options such as male and female in the questionnaire to capture the gender aspect of the respondents. This however, was of great importance because the study aimed at correlating between financial controls and cash flow management among small scale

enterprises in Nakawa division depending on the biographic characteristics of the respondents.

The findings were as shown in the proceeding tables.

### **Sex of the respondents**

The gender of respondents was obtained and categorized as male and female as in the table below.

**Table 4.1: Gender of respondents**

<b>Gender</b>	<b>Frequency</b>	<b>Percent</b>
Male	258	72.1
Female	128	33.2
<b>Total</b>	<b>386</b>	<b>100.0</b>

Source: Primary data

From the table above, majority (72.1%) of the respondents was male and 33.2% of them were females. This implies that the views of the male respondents dominated their female counterparts in the problem under study. This means that there were more males involved in business in Nakawa division than female.

### **Age of respondents**

The age groups of the respondents were also captured in the study and the results are presented in the following table;

**Table 4.2: Age of respondents**

Age	Frequency	Percent
Below 20	37	9.6
20-29	57	14.8
30-39	136	35.2
40-49	88	22.8
50 and above	68	17.6
<b>Total</b>	<b>386</b>	<b>100.0</b>

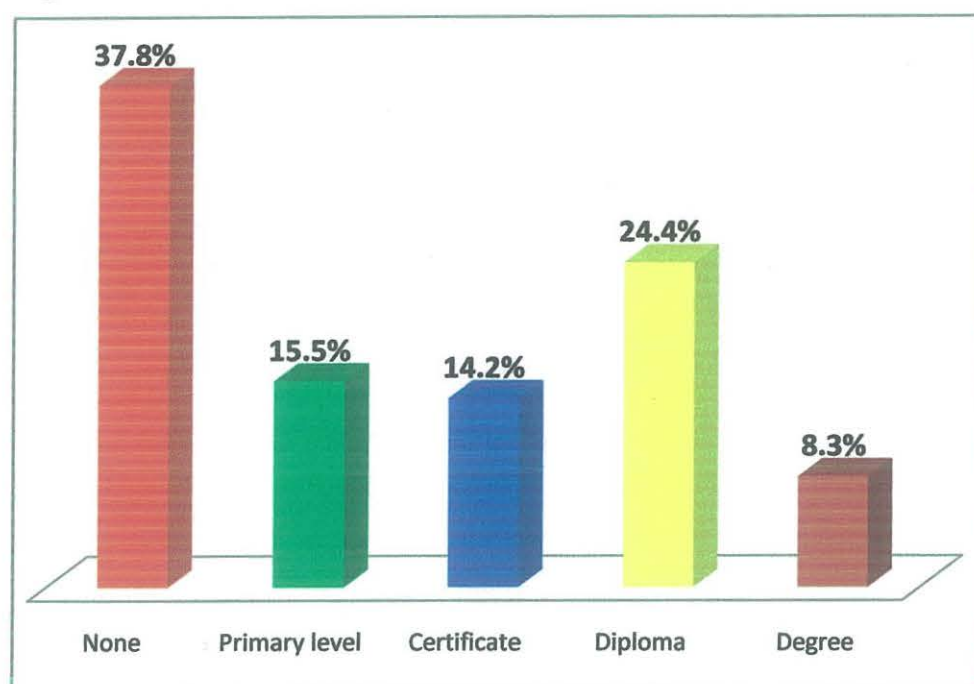
Source: Primary data

The findings in table above illustrates that majority (35.2%) of the respondents were in the age group of 30-39 years followed by 22.8% who were in the 40-49 year age group. The table also shows that 17.6% were between 50 and above years old, while the minority 14.8% and 9.6% of the respondents were 20-29 and below 20 years of age respectively. The results show that the respondents were mature enough to provide the required information for the study.

### **Level of Education**

This was captured to establish how knowledgeable the respondents were about production and operations management as illustrated below;

**Figure 4.1: Level of Education**



Source: Primary data

The education status of the respondents revealed that majority 37.8% of them had never attained any level of education. This was followed by 24.4% who had attained diplomas and 15.5% had acquired primary leaving certificates (PLE) while 14.2% of the respondents had certificates. Only 8.3% had acquired degrees and others other qualifications. This implies that the respondents were mostly educated and were knowledgeable enough to provide the relevant information about financial controls and cash flow management among small scale enterprises.

**Table 4.3: Position in the business**

Position	Frequency	Percent
Owner	172	44.6
Employee	214	55.4
Total	386	100.0

Source: Primary data

According to the findings from the above table, majority (55.4%) of the respondents affirmed that they were employees in the business compared to 44.6% of the respondents who were business owners in Nakawa division. This means that there were more job owners than employees.

**Table 4.4: Form of business**

Form of business	Frequency	Percent
Business partnership	84	21.8
Sole proprietor	188	48.7
Limited company	114	29.5
<b>Total</b>	<b>386</b>	<b>100.0</b>

Source: Primary data

From the results in the table, the findings reveal that most respondents were sole proprietors of the business which was followed by 29.5% of the respondents whose business was in form of limited companies and those who were partners in the business composed of the smallest proportion of 21.8% of the responses. The findings imply that most people owned their business.

#### 4.3 Section B: Financial Controls

The respondents were asked to suggest whether the enterprises kept formal financial records or accounts and below are the results.

**Table 4.5: Whether the enterprise keeps formal financial records or accounts**

Responses	Frequency	Percent
Yes	256	66.3
No	130	33.7
<b>Total</b>	<b>386</b>	<b>100.0</b>

Source: Primary data

From the figure above, the majority (66.3%) of the respondents said that enterprises kept formal financial records or accounts. This was followed by 33.7% of them who disagreed with the statement. This implies that the enterprises kept formal financial records or accounts.

**Table 4.6: Formal financial systems used in the business**

Financial systems	Frequency	Percent
Computerized accounting system	94	24.4
Manual accounting system	292	75.6
<b>Total</b>	<b>386</b>	<b>100.0</b>

Source: Primary data

The findings from the table above exemplify that majority (75.6%) of the respondents used manual account system in the business whereas the minority (24.4%) of the respondents affirmed that they used computerised accounting systems in their businesses. This therefore implies that most respondents used manual accounting systems in their businesses because very can afford to used computers.

**Table 4.7: Whether they employ auditors in the business**

Response	Frequency	Percent
Yes	67	17.3
No	319	82.6
<b>Total</b>	<b>386</b>	<b>100.0</b>

Source: Primary data

Table above reveals that 82.6% of the respondents employed auditors in their businesses as opposed to the minority (17.3%) of them who said that their businesses were still small to

accommodate auditors. This means that most businesses audited themselves instead of hiring external auditors.

**Table 4.8: The level of control of finances**

	Agree	Not sure	Disagree
Make budget	155(40.1%)	21(5.4%)	55(14.2%)
Just spend anyhow	124(32.1%)	60(15.5%)	202(52.3%)
Keep records of my transactions	256(66.3%)	80(20.7%)	50(12.9%)
Don't have a formula	198(51.2%)	89(23%)	99(25.6%)

Source: Primary data

According to the findings in the table, 155(40.1%) of the respondents agreed that making budgets is one of the levels of control of finance as disagreed by 55(14.2%) and those who were not sure were 21(5.4%). Other ways of control of finances is just spending anyhow as disagree by majority 202(52.3%) of the respondents, there is also keeping records of transaction with 256(66.3%) of the respondents who agreed and don't have a formula was also agreed by 198(51.2%) of the respondents.

**Table 4.9: Number of years the enterprise has been trading**

Number of years	Frequency	Percent
1–2 years	25	6.4
2–4years	82	21.2
4–6 years	103	26.6
6–8 years	74	19.1
8–10 years	43	11.1
More than 10 years	59	15.2
<b>Total</b>	<b>386</b>	<b>100.0</b>

Source: Primary data

Basing on the findings in the table above, most respondents revealed that they had spent four to six years in the business as reported by 26.6% of them, 21.2% of the respondents affirmed that they have been trading for a period of two to four years while nineteen percent of the respondents suggested between six and eight years in business and 8-10 years was a period suggested by 11.1% of the respondents. The smallest proportion of 15.2% and 6.4% of the respondents suggested more than 10 years and 1-2 years in trading respectively. This means that the number of years the enterprise has been trading on average is five years as revealed by respondents.

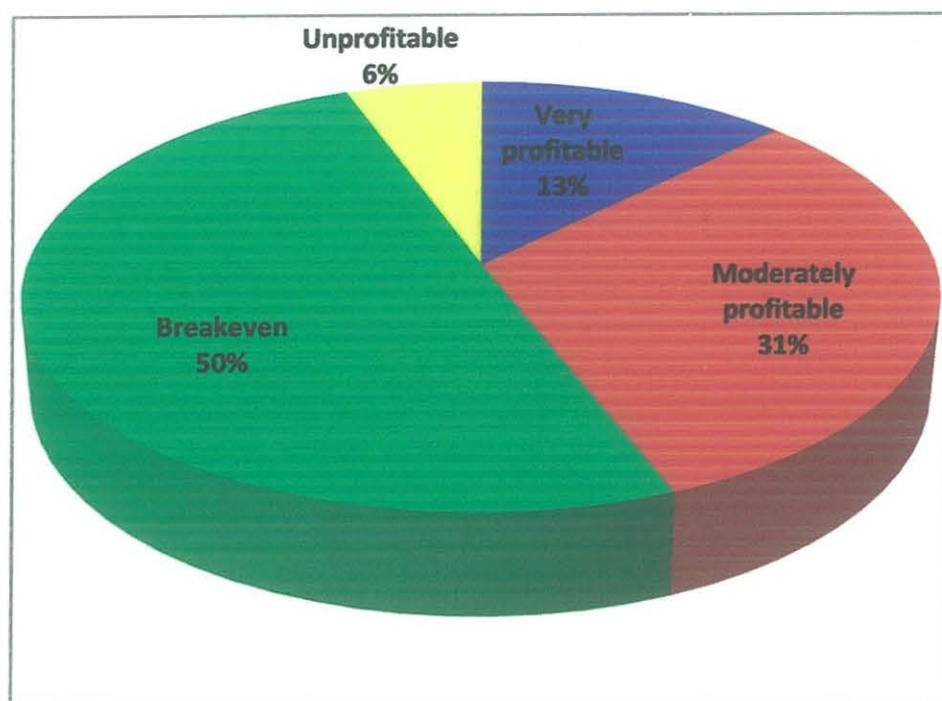
**Table 4.10: Number of people currently employed**

Number of people	Frequency	Percent
None	106	27.4
1-5 employees	167	43.2
6-20 employees	80	20.7
21-49 employees	31	8.3
<b>Total</b>	<b>386</b>	<b>100.0</b>

Source: Primary data

Findings above exemplify that majority (43.2%) of the respondents affirmed that there were between one and five employees in the business followed by 27.4% of the respondents who said that there no people currently employed in their businesses. The table further portrays that 6-20 employees were employed with 20.7% of the response and 8.3% of the respondents suggested 21-19 employees currently working.

**Figure 4.2: Assessment of profitability of business over the past 12 months**



Source: Primary data

The figure above also demonstrates that fifty percent of the respondents revealed that the profitability of business over the past 12 months was breakeven while 31.3% of the respondents suggested that profitability in the business is moderate. This was followed by 12.6% of the respondents who also affirmed that they have had very high profits in the business for the last twelve months and others revealed that the business has been unprofitable in the last twelve months of operations because of the a number of reasons.

**Table 4.11: Assessment of growth of enterprise over the past 12 months**

<b>Response</b>	<b>Frequency</b>	<b>Percent</b>
Growing	219	56.7
Stable	101	26.1
Decline	20	5.1
Not sure	46	11.9
<b>Total</b>	<b>386</b>	<b>100.0</b>

Source: Primary data

It was discovered that majority (56.7%) of the respondents proposed that when they assess the growth of their enterprises over the past months, it was growing while others (26.1%) said that the business was stable. Respondents who were not sure were represented by 11.9% of the responses and the minority (5.1%) of the respondents reported that there was a decline in the growth of their business for the last 12 months. This means that most business were improving in the past twelve months though there were those that declined.

**Table 4.12: The importance of budgeting for the enterprise**

<b>Importance</b>	<b>Not important</b>	<b>Important</b>	<b>Very important</b>
Operational planning	40(10.3%)	55(14.2%)	294(76.1%)
Communication of goals	66(17%)	59(15.2%)	261(67.6%)
Performance evaluation	77(19.9%)	34(8.8%)	275(71.2%)
Strategy formation	50(12.9%)	80(20.7%)	256(66.3%)
Variance analysis	48(12.4%)	66(17%)	272(70.4%)

Source: Primary data

The table above shows the importance of budgeting for the enterprise. Majority 349(90.3%) of the respondents said that operational planning is very important for the enterprise as opposed by

40(10.3%) of the respondents. This was also followed by communication of goals as with most responses at 320(82.8%) and the few 66(17%) said budgeting is not important for the enterprise. Another importance of budgeting is performance evaluation as suggested by 309(80%) of the respondents, strategy formation is also very important in budgeting for the enterprise with 336(87%) as 50(12.9%) of them said it is not important. Respondents further suggested that another very important element of budgeting is variance analysis 338(87.5%) which was opposed by 48(12.4%) of the respondents who revealed that it not important in budgeting. The findings imply that most respondents were in support of most the variable as regards the importance of budgeting for the enterprise

**Table 4.13: The following are the financial records of the business**

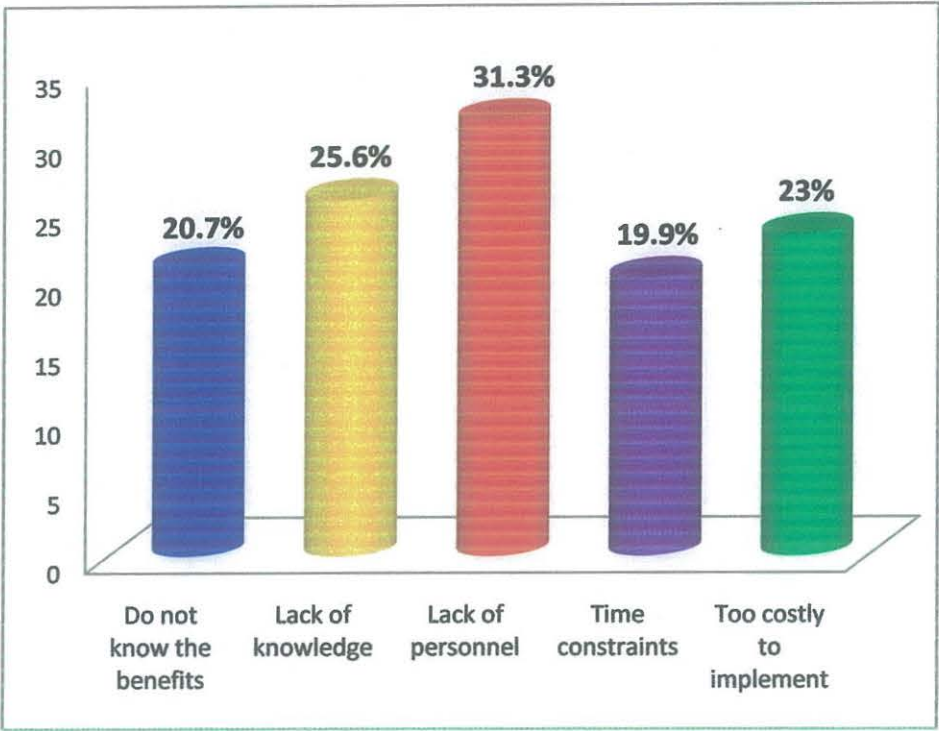
Financial records	Agree	Not sure	Disagree
Purchases records	205(53.1%)	60(15.5%)	121(31.3%)
Sales records	198(51.2%)	89(23%)	99(25.6%)
Profits	230(59.5%)	72(18.6%)	87(22.5%)
All the above	298(77.2%)	25(6.4%)	63(16.3%)

Source: Primary data

Results in the above table exemplify that financial records of the business consists of the purchases as agreed by majority 205(53.1%) of the respondents, followed 60(15.5%) who were not sure and those who disagreed were 121(31.3%). There are also sales records as proposed by 198(51.2%), opposed by 99(25.6%) and those who not certain were 89(23%) of the respondents. The results further demonstrate that 230(59.5%) of the respondents financial records of the business constitute profits which was disagreed by 87(22.5%) of the respondents and respondents who were not sure were 72(18.6%). However, a section of some other respondents

affirmed that all the above (purchase records, sales records and profits) are financial records with the highest proportion of 298(77.2%). This was opposed by the minority 63(16.3%) of the respondents and 25(6.4%) of them were not sure. The findings therefore conclude that most respondents agreed on most of these parameters such as purchase records, sales records and profits to be financial records.

**Figure 4.3: Factors that hinder financial planning or budgeting**



Source: Primary data

According the findings in the above figure, 31.3% of the respondents suggested that lack of personnel lack of personnel hinders financial planning or budgeting, 25.6% of the respondents suggested lack of knowledge as a predicament to financial planning or budgeting in the business. Twenty three percent of the respondents revealed financial panning is hampered by the high costs to implement as 20% of the respondents affirmed that they do not know the benefits of

financial planning or budgeting in the business. The smallest percentages of 19.9% and 8.8% of the respondents proposed time constraints among others respectively which limit the financial planning or budgeting in the business.

#### 4.4 Section C: Cash flow management

**Table 4.14: Whether business enterprises keep creditors and debtors records**

Response	Frequency	Percent
Agree	234	60.6
Not sure	71	18.3
Disagree	81	20.9
<b>Total</b>	<b>386</b>	<b>100.0</b>

Source: Primary data

Findings above show that most (60.6%) respondents agreed that business enterprises keep creditors and debtors records as opposed by 20.9% of the respondents and the smallest proportion of 18.3% of the respondents were not sure about the statement that business enterprises keep creditors and debtors records. This implies that most enterprises in Nakawa division kept records of debtors and creditors even when there are a few businesses who don't consider that such records are vital for the performance of their businesses.

**Table 4.15: Components of cash inflows used in the business**

Components	Frequency	Percent
Cash books	90	23.3
Receipts	66	17
Cheques	49	12.6
Invoices	95	24.6
Ledgers	30	7.7
Debtors account	56	14.5
<b>Total</b>	<b>386</b>	<b>100.0</b>

Source: Primary data

From the table findings above, 24.6% of the respondents suggested that invoices are part on the components of cash inflows used in the business, 23.3% also suggested cash books and 14.5% of the respondents revealed that debtors account are counted in the debtors account. Other components of cash inflows used in the business include; cheques (12.6%), receipts (17%) and 7.7% of the respondents suggested ledgers are not excluded. The findings contemplate that most of the above mentioned components constitute cash inflows used in the business.

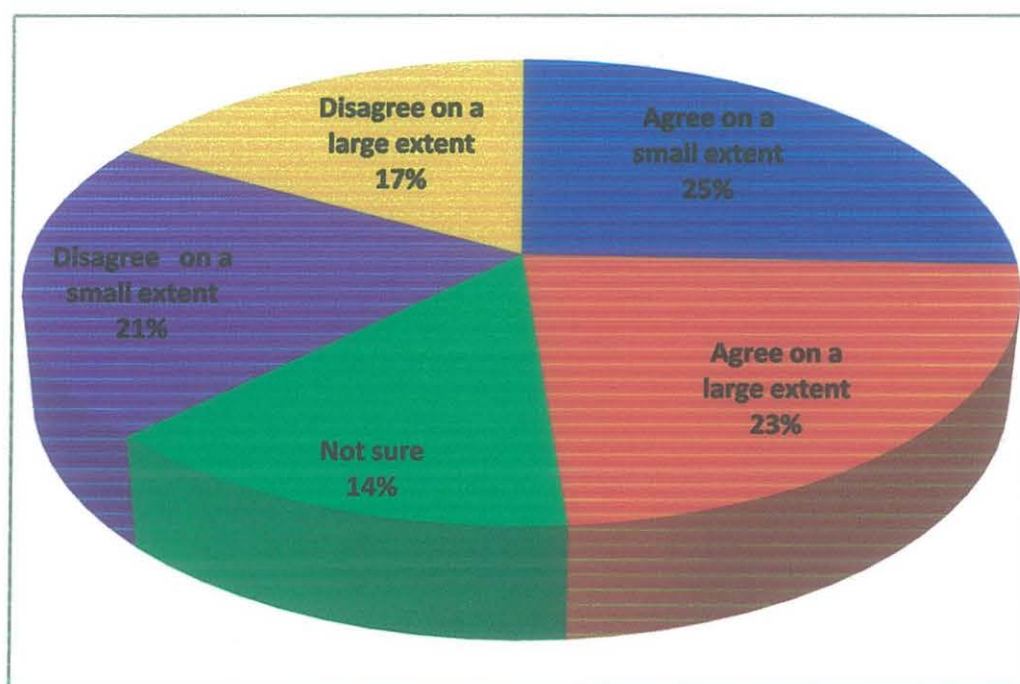
**Table 4.16: The main features/components of cash outflow in the business**

Payment account	Frequency	Percent
VAT account	67	17.3
Loans account	94	24.3
Dividends account	49	12.6
Equipment account	85	22
Wages and salaries account	40	10.3
Payment account	51	13.2
<b>Total</b>	<b>386</b>	<b>100.0</b>

Source: Primary data

The table above shows that 24.3% of the respondents affirmed that loans account form the main features/components of cash outflow in the business, followed by equipment account with 22%, VAT account with 17.3% and 13.2% of the respondents suggested payment account. Findings further confirm that dividends account and wages and salaries account are also components of cash outflow in the business as suggested by 12.6% and 10.3% respectively.

**Figure 4.4: The extent to which respondents agree that cash flow management helps in the success of the business**



Source: Primary data

The results in the above demonstrate that 23% of the respondents agreed on a larger extent that cash flow management helps in the success of the business followed by 25.6% who agreed on a small extent. Respondents who disagree on a small extent were 20.7% and those who disagreed on a larger extent that cash flow management helps in the success of the business were 16.8% of

the respondents. Results further demonstrate that 13.7% of the respondents were not sure whether cash flow management helps in the success of the business. This implies that cash flow management is very vital to the success of the business as revealed by respondents.

## **CHAPTER FIVE**

### **SUMMARY, CONCLUSION AND RECOMMENDATIONS TO THE STUDY FINDINGS**

#### **5.1 Introduction**

This chapter presents the discussion, summary, conclusion and recommendations to the findings of the study meant to correlate between financial controls and cash flow management among small scale enterprises.

#### **5.2 Summary of the findings**

Majority (72.1%) of the respondents were male and 33.2% of them were females. The findings also reveal that majority (35.2%) of the respondents were in the age group of 30-39 years followed by 22.8% who were in the 40-49 year age group. The education status of the respondents revealed that majority 37.8% of them had never attained any level of education. This was followed by 24.4% who had attained diplomas and 15.5% had acquired primary leaving certificates (PLE) while 14.2% of the respondents had certificates. Only 8.3% had acquired degrees and others other qualifications.

Results further show that 55.4% of the respondents were employees in the business compared to 44.6% of the respondents who were business owners. It was also discovered that most respondents were sole proprietors of the business which was followed by 29.5% of the respondents whose business was in form of limited companies and those who were partners in the business composed of the smallest proportion of 21.8% of the responses.

Findings demonstrate that majority (75.6%) of the respondents used manual account system in the business whereas the minority (24.4%) of the respondents affirmed that they used

computerised accounting systems in their businesses. Financial records of the business consists of the purchases as agreed by majority 205(53.1%) of the respondents. There are also sales records as proposed by 198(51.2%), 230(59.5%) of the respondents financial records of the business constitute profits. However, a section of some other respondents affirmed that all the above purchase records, sales records and profits) are financial records with the highest proportion of 298(77.2%).

It was discovered that most (60.6%) respondents agreed that business enterprises keep creditors and debtors records as opposed by 20.9% of the respondents. From the findings, 24.6% of the respondents suggested that invoices are part on the components of cash inflows used in the business, 23.3% also suggested cash books and 14.5% of the respondents revealed that debtors account are counted in the debtors account. Other components of cash inflows used in the business include; cheques (12.6%), receipts (17%) and 7.7% of the respondents suggested ledgers are not excluded.

Also 24.3% of the respondents affirmed that loans account form the main features/components of cash outflow in the business, followed by equipment account with 22%, VAT account with 17.3% and 13.2% of the respondents suggested payment account and dividends. Results revealed that cash flow management helps in the success of the business. Results further demonstrate that some respondents were not sure whether cash flow management helped in the success of the business meaning that cash flow management is very vital to the success of the business as revealed by respondents.

### **5.3 Conclusion**

Financial management is intended to help organizations achieve their missions and strategic objectives by ensuring resources are effectively collected and used, and accurately accounted for. Therefore financial management covers many aspect of the business such as credit risk, performance indicators, information and management systems, the administrative budget and market risks. Financial management can be improved by increasing borrowing (lending), or by putting more money into the business. It was established that most business people used manual accounting system in their businesses other than computerised accounting systems. Financial records of the business consists of the purchases, sales records and profits. The findings reveal that business enterprises keep creditors and debtors records. The components of cash inflows include; invoices, cash books and debtors account. There are also cheques, receipts and ledgers. The main features of cash outflow are loans equipment account, payment account and dividends meaning that cash flow management helps in the success of the business as others were doubtful.

### **5.4 Recommendations to the study**

Basing on the findings, the study made the following recommendations

The study recommends that small scale enterprises should put more convenient and less cumbersome processes for accessing financial products if they are to cater for the small business groups.

The savings groups/institutions should sensitize their members about the rules and regulations governing their membership in order to improve their participation in these groups.

The small businesspersons should be taught about the importance of keeping records as they help in planning better and enhancing expansion of their businesses.

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## APPENDIX I

### (a) Questionnaire: Research instruments

**Dear Respondents**

I am **Murwani Nolda** a student of Kampala International University pursuing a Bachelor's degree in Business administration in Accounting and Finance. I am carrying out an academic research study on "**Financial Controls and Cash Flow Management among the Small Scale Enterprises**", a case study of Nakawa Division Kampala.

The information collected will be purely for academic purpose and will be treated with ultimate confidentiality.

#### SECTION A: PERSONAL INFORMATION

1. Sex

a) Male ☐

b) Female ☐

2. Age of respondent

a. Below 20 ☐

b. 20-29 ☐

c. 30-39 ☐

d. 40-49 ☐

e. 50 and above ☐

3. Level of Education

a) None ☐

b) Primary level ☐

c) Certificate ☐

d) Diploma ☐

e) Degree ☐

f) Others, specify.....

4. Position in the business

a) Owner ☐

b) Employee ☐

5. Form of business

a) Business partnership ☐

b) Sole proprietor ☐

c) Limited company ☐

**SECTION B: Financial Controls**

6. Does the enterprise keep formal financial records or accounts?

Yes ☐ No ☐ Not at all ☐

7. If yes, which system does the enterprise use?

Computerized accounting system ☐

Manual accounting system ☐

8. Have you ever employed an auditor in your business?

Strongly agree ☐ Agree ☐

Strongly Disagree ☐ Disagree ☐

9. Indicate the level of control of finances in your business?

	<b>Strongly agree</b>	<b>Agree</b>	<b>Not sure</b>	<b>Strongly Disagree</b>	<b>Disagree</b>
Make budget					
Just spend anyhow					
Keep records of my transactions					
Don't have a formula					

10. Do you always prepare monthly reports or weekly reports in your business?

Strongly agree ☐ Agree ☐

Strongly Disagree ☐ Disagree ☐

11. How many years has the enterprise been trading/been in business?

1-2 years ☐ 2-4 years ☐ 4-6 years ☐

6-8 years ☐ 8-10 years ☐ More than 10 years ☐

12. Does your business prepare financial statements at the end of the year?

Strongly agree ☐ Agree ☐

Strongly Disagree ☐ Disagree ☐

13. How many people are currently employed?

None	
1-5 employees	
6-20 employees	
21-49 employees	

14. Assessment of profitability of business over the past 12 months

Very profitable	Moderately profitable	Breakeven	Unprofitable

15. Assessment of growth of enterprise over the past 12 months

Growing	Stable	Decline	Not sure

16. Indicate what you consider to be the importance of the following reasons for budgeting for the enterprise:

	Not important	Important	Very important
Operational planning			
Communication of goals			
Performance evaluation			
Strategy formation			
Variance analysis			

17. Financial records are properly kept in this business.

Strongly agree ☐ Agree ☐

Strongly Disagree ☐ Disagree ☐

18. What do these records include? (Please indicate by placing a tick to your appropriate answer)

	Strongly agree	Agree	Not sure	Strongly Disagree	Disagree
Purchases records					
Sales records					
Profits					
All the above					

19. If your enterprise DOES NOT use any form of financial planning or budgeting, which of the statements below do you think best explains why not?

Do not know the benefits ☐ Lack of knowledge ☐

Lack of personnel ☐ Time constraints ☐

Too costly to implement ☐ Other reasons (state briefly):.....

20. What changes would you like to expect in your business?

.....

.....

### SECTION C: CASH FLOW MANAGEMENT

21. Do you keep creditors records?

Strongly agree ☐ Agree ☐

Strongly Disagree ☐ Disagree ☐

22. Which of the following are the commonly used components of cash inflows in your business?

Cash books ☐ Receipts ☐ Cheques ☐

Invoices ☐ Ledgers ☐ Debtors account ☐

23. Are there well managed records of debtors in your business?

Strongly agree ☐ Agree ☐

Strongly Disagree ☐ Disagree ☐

24. Mention the main features/components of cash outflow in your business

Payment account ☐ VAT account ☐ Loans account ☐

Dividends account ☐ equipment account ☐ wages and salaries account ☐

25. To what extent do you agree that cash flow management helps in the success of your business?

Agree on a small extent ☐

Agree on a large extent ☐

Not sure ☐

Disagree on a small extent ☐

Disagree on a large extent ☐

**(b) Interview guide**

- 1) Does the enterprise keep formal financial records or accounts?
- 2) Have you ever employed an auditor in your business?
- 3) Do you always prepare monthly reports or weekly reports in your business?
- 4) How many years has the enterprise been trading/been in business?
- 5) Does your business prepare financial statements at the end of the year?
- 6) What changes would you like to expect in your business?
- 7) Do you keep creditors records?
- 8) Are there well managed records of debtors in your business?
- 9) Mention the main features/components of cash outflow in your business

## Appendix II

### Budget

Here below is the estimated budget for the study activities

Activity	Amount (Ushs)
Typing Research Proposal	30,000=
Printing the Proposal	40,000=
Photocopying the Proposal	10,000=
Printing Questionnaires	10,000=
Photocopying Questionnaires	30,000=
Data Collection	100,000=
Typing the Research Report	50,000=
Printing the Research Report	50,000=
Binding the Research Report	30,000=
Lunch	100,000=
Flash Disk	20,000=
Transport	150,000=
Miscellaneous	80,000=
<b>Total</b>	<b>700,000/=</b>

### Appendix III

Gantt chart showing schedule of activities

Tasks to be performed	Responsible person	2013					
		Feb	March		April	May	June
Submission of draft proposal	Supervisor						
Finalize Research Proposal and Literature Review	Research Investigator						
Clearance from University Research Committee	Supervisor						
Data Collection	Research Assistants Research Investigator						
Data analysis and interpretation	Research Investigator						
Presentation of final Report to department	Research Investigator						