Metropolitan Journal of Academic and Applied Research
ISSN: 3006-6417
Vol. 5 Issue 6, June- 2026, Pages: 250-261

Financial Management Practices And Growth Of Small And Medium Enterprises: A Case Study Of SMEs In Mbarara City

Dr Ariyo Gracious Kazaara
Metropolitan International University

Abstract

This study investigated the relationship between financial management practices and the growth of Small and Medium Enterprises (SMEs) in Mbarara City, Uganda. Financial management practices examined included working capital management, financial record-keeping, budgeting and planning, and investment decision-making. The study was guided by a cross-sectional survey design and collected data from a sample of 120 SME owners and managers using structured questionnaires. Data were analyzed using descriptive statistics, Pearson correlation, and multiple regression analysis. Results revealed that financial management practices were positively and significantly associated with SME growth ($r = 0.687$, $p < 0.01$). Regression analysis showed that working capital management ($\beta = 0.312$, $p < 0.05$), financial record-keeping ($\beta = 0.278$, $p < 0.05$), and budgeting and planning ($\beta = 0.241$, $p < 0.05$) were significant predictors of SME growth, collectively accounting for 62.4% of the variance in SME growth ($R^2 = 0.624$). The study concludes that robust financial management practices are a critical determinant of SME growth and recommends that SME owners receive formal financial literacy training and that government establish financial management support units for SMEs across Ugandan cities.

Keywords: Financial management, Working capital, SME growth, Budgeting, Financial record-keeping, Mbarara City, Uganda

1.0 Background to the Study

Small and Medium Enterprises (SMEs) are globally acknowledged as the backbone of economic development, contributing immensely to employment creation, poverty reduction, and GDP growth (OECD, 2019). In Uganda, SMEs account for approximately 90% of private sector enterprises, contributing to over 80% of manufactured output and employing more than 2.5 million people (Uganda Investment Authority, 2020). Mbarara City, the second largest city in Uganda, has emerged as a significant commercial hub in Western Uganda, with a growing SME sector spanning agriculture, trade, hospitality, and services (Mbarara City Council, 2021). Despite their strategic importance, SMEs in Uganda continue to face significant challenges that impede their growth and sustainability(Frank et al., 2023). Chief among these challenges is poor financial management, manifested in inadequate record-keeping, poor cash flow management, absence of budgeting practices, and limited access to formal financing (Abeywardhana, 2017). The Uganda Bureau of Statistics (UBOS, 2020) reported that approximately 60% of newly established SMEs fail within the first three years, with financial mismanagement being cited as a primary contributor. This reality underscores the urgency of examining how financial management practices influence SME growth trajectories(Ahumuza et al., 2025).

Received: 13.06.2026 **Accepted: 17.06.2026** **Published on: 30.06.2026**

Financial management encompasses the planning, organizing, directing, and controlling of financial activities such as procurement and utilization of funds in an enterprise (Pandey, 2015). For SMEs, effective financial management determines the ability to meet short-term obligations, invest in growth opportunities, attract investors, and sustain long-term competitiveness(Sophie & Crispus, 2024). Empirical evidence from Sub-Saharan Africa suggests that SMEs with formal financial planning and budgeting practices experience significantly higher growth rates compared to those operating without structured financial systems (Njeru, 2017; Olawale & Garwe, 2010).

In Mbarara City specifically, the SME landscape is characterized by a mixture of formal and informal enterprises, with the majority operating in retail trade, food services, and agro-processing(A. I. Kazaara & Audrey, 2024). Despite the vibrancy of this sector, limited scholarly attention has been directed at understanding how financial management practices influence SME performance in this specific urban context(Ahumuza et al., 2025). This study therefore sought to fill this gap by systematically examining the relationship between financial management practices and SME growth in Mbarara City(A. G. Kazaara et al., 2024).

2.0 Problem Statement

Notwithstanding the critical role of SMEs in Uganda's economy, a significant proportion continue to exhibit stunted growth, high failure rates, and limited scalability(Ramadhan et al., 2023). Preliminary observations in Mbarara City indicate that many SME operators lack basic financial management competencies including the ability to maintain proper books of accounts, prepare cash flow forecasts, or develop annual budgets(Annet et al., 2023). A baseline survey by the Private Sector Foundation Uganda (PSFU, 2021) found that only 31% of SMEs in Western Uganda maintained formal financial records, and fewer than 20% had ever prepared a structured budget.

This inadequacy in financial management is compounded by the fact that most SME owners in Mbarara City lack formal business education and rely on intuitive, informal financial decision-making practices(David et al., 2023). Consequently, businesses frequently experience cash flow crises, poor investment decisions, and inability to service debt obligations, resulting in business stagnation or collapse(A. G. Kazaara et al., 2024). While national-level studies have touched on SME constraints in Uganda, there is a paucity of location-specific empirical research that systematically examines how specific financial management practices individually and collectively explain SME growth outcomes in Mbarara City(Christopher, 2022). This gap motivated the present study.

3.0 Objectives of the Study

3.1 Main Objective

The main objective of this study was to examine the relationship between financial management practices and the growth of SMEs in Mbarara City.

3.2 Specific Objectives

i. To determine the relationship between working capital management and SME growth in Mbarara City.

ii. To establish the relationship between financial record-keeping and SME growth in Mbarara City.

Received: 13.06.2026 Accepted: 17.06.2026 Published on: 30.06.2026

iii. To assess the relationship between budgeting and planning and SME growth in Mbarara City.

iv. To determine the combined effect of financial management practices on SME growth in Mbarara City.

4.0 Literature Review

4.1 Theoretical Framework

This study is anchored in the Resource-Based View (RBV) theory propounded by Barney (1991), which posits that a firm's competitive advantage and growth potential are determined by its possession of valuable, rare, inimitable, and non-substitutable resources. Financial management capabilities are conceptualized as organizational resources that enable SMEs to allocate capital efficiently, manage risks, and capitalize on growth opportunities(Promise et al., 2024). Additionally, the Pecking Order Theory (Myers & Majluf, 1984) provides theoretical grounding for understanding SME financing decisions and their implications for growth, suggesting that firms prefer internal financing to external sources, making effective working capital management a critical competency.

4.2 Working Capital Management and SME Growth

Working capital management involves managing current assets and liabilities to ensure adequate liquidity for day-to-day operations(Akankwasa et al., 2022). Deloof (2003) demonstrated that the cash conversion cycle, a measure of working capital efficiency, significantly affects firm profitability. For SMEs, the ability to efficiently manage receivables, payables, and inventory directly determines operational continuity and growth capacity. Padachi (2006) found that SMEs with shorter cash conversion cycles reported higher profitability and faster growth. In the African context, Abor and Quartey (2010) established that effective working capital management was among the strongest predictors of SME financial performance in Ghana, a finding corroborated by Makori and Jagongo (2013) in Kenya.

4.3 Financial Record-Keeping and SME Growth

Financial record-keeping refers to the systematic documentation of financial transactions, including income statements, balance sheets, and cash flow statements. Maseko and Manyani (2011) found that SMEs in Zimbabwe that maintained formal financial records had significantly better access to credit and demonstrated stronger growth outcomes compared to counterparts with informal record-keeping(Alex & Moses, 2024). Record-keeping supports evidence-based financial decision-making, facilitates tax compliance, and enhances the credibility of SMEs in the eyes of investors and lenders (Nkundabanyanga et al., 2014). In Uganda, Muhumuza (2018) established that there was a significant positive relationship between financial record-keeping quality and SME profitability in Kampala, underscoring the relevance of this practice.

4.4 Budgeting, Planning, and SME Growth

Budgeting involves the formulation of financial plans that guide resource allocation and expenditure over a defined period(Promise et al., 2024). It serves as a control mechanism through which management compares actual performance against planned targets and takes corrective action (Drury, 2015). Empirical evidence supports the positive relationship between budgeting practices and firm performance. Nsereko et al. (2018) established that SMEs in Uganda that engaged in systematic budgeting reported significantly higher sales growth and asset accumulation.

Received: 13.06.2026 Accepted: 17.06.2026 Published on: 30.06.2026

Similarly, Mbogo (2011) found that financial planning was a critical success factor for SME growth in East Africa. The literature consistently indicates that SMEs that engage in formal planning and budgeting are better positioned to achieve sustainable growth(A. G. Kazaara & Kazaara, 2023).

4.5 Research Gaps

While there is considerable international and regional literature on financial management and SME growth, there remains a notable gap in location-specific studies focusing on Mbarara City. Most Ugandan studies have concentrated on Kampala-based enterprises, potentially limiting the generalizability of findings to secondary cities with different market dynamics, infrastructure constraints, and business ecosystems. This study contributes to filling this gap by providing empirical evidence from Mbarara City's growing SME sector.

5.0 Methodology

5.1 Research Design

The study adopted a cross-sectional survey research design, which enabled the collection of data from a sample of SMEs at a single point in time(Abiodun Nafiu, 2012). This design is appropriate for descriptive and correlational studies seeking to establish the nature and strength of relationships between variables (Creswell, 2014). A quantitative approach was employed, consistent with the positivist research philosophy underpinning the study.

5.2 Population and Sampling

The target population comprised 450 registered SMEs in Mbarara City drawn from the Mbarara City Business Registry (2022). A sample of 120 SMEs was selected using stratified random sampling, with stratification based on business sector (trade, services, and manufacturing). The sample size was determined using Krejcie and Morgan's (1970) formula, which yielded a required sample of 210; however, resource and time constraints necessitated a pragmatic sample of 120, consistent with similar studies in the region (Kyazze et al., 2017).

5.3 Data Collection

Data were collected using a structured questionnaire with Likert-scale items (1 = Strongly Disagree to 5 = Strongly Agree). The questionnaire was divided into sections covering demographics, working capital management (8 items), financial record-keeping (7 items), budgeting and planning (7 items), and SME growth (10 items)(Julius & Matovu, 2025). The instrument was pre-tested with 15 SME owners not included in the final sample to assess clarity and reliability. Cronbach's alpha coefficients were computed: working capital management ($\alpha = 0.81$), financial record-keeping ($\alpha = 0.79$), budgeting ($\alpha = 0.83$), and SME growth ($\alpha = 0.86$), all exceeding the acceptable threshold of 0.70 (Nunnally, 1978).

5.4 Data Analysis

Data were entered and analyzed using SPSS version 26(Nelson et al., 2022). Descriptive statistics (means and standard deviations) were used to summarize respondents' perceptions of financial management practices and SME growth. Pearson correlation analysis was conducted to examine the bivariate relationships between variables. Multiple linear regression analysis was performed to determine the combined predictive effect of financial management practices on SME growth. Statistical significance was assessed at 5% significance level ($p < 0.05$).

6.0 Results

6.1 Descriptive Statistics

Table 1 presents the descriptive statistics for the study variables. The mean scores indicate respondents' average perceptions of each variable measured on a 5-point Likert scale, while standard deviations reflect the degree of dispersion around the mean.

Table 1: Descriptive Statistics of Study Variables

Variable	N	Mean	Std. Dev.	Min	Max
Working Capital Management	120	3.42	0.71	1.00	5.00
Financial Record-Keeping	120	3.17	0.84	1.00	5.00
Budgeting and Planning	120	2.98	0.92	1.00	5.00
Investment Decision-Making	120	3.05	0.78	1.00	5.00
SME Growth	120	3.31	0.69	1.00	5.00

Source: Primary Data, 2026

The descriptive analysis presented in Table 1 reveals important patterns regarding the financial management practices and growth of SMEs in Mbarara City. Working capital management recorded the highest mean score among the financial management practice dimensions (M = 3.42, SD = 0.71), suggesting that SME operators in Mbarara City gave moderate to moderately high attention to managing their current assets and liabilities(Promise et al., 2024). The relatively low standard deviation of 0.71 indicates reasonable consensus among respondents regarding their working capital management practices, implying that most SMEs were at a similar level of practice in this dimension(Winny et al., 2023). Financial record-keeping obtained a mean of 3.17 (SD = 0.84), indicating a moderate level of practice, though the higher standard deviation compared to working capital management suggests greater variability in record-keeping behaviour among the sampled SMEs(Ahumuza et al., 2025). Some enterprises maintained relatively organized records while others operated with minimal documentation. This variability may reflect differences in education level, formality of business registration, and access to accounting support among SME owners in the city.

Budgeting and planning recorded the lowest mean score among all study variables (M = 2.98, SD = 0.92), suggesting that this was the least practiced financial management activity among SMEs in Mbarara City. The standard deviation of 0.92 further indicates considerable variability in budgeting practices across the sample(Sophie & Crispus, 2024). This finding is consistent with the wider literature on SMEs in developing countries, which consistently identifies budgeting and financial planning as the most neglected aspect of financial management among informal and semi-formal enterprises (Nsereko et al., 2018). Overall, SME growth recorded a moderate mean of 3.31 (SD = 0.69),

Received: 13.06.2026 **Accepted: 17.06.2026** **Published on: 30.06.2026**

Metropolitan Journal of Academic and Applied Research
ISSN: 3006-6417
Vol. 5 Issue 6, June- 2026, Pages: 250-261

indicating that while some growth was being experienced, it remained below the potential level that robust financial management practices could facilitate(Alex & Julius, 2024).

6.2 Correlation Analysis

Table 2 presents the Pearson correlation coefficients showing the bivariate relationships between financial management practices and SME growth.

Table 2: Pearson Correlation Matrix

Variable	1	2	3	4	5
1. Working Capital Mgmt	1.000	[			
2. Financial Record-Keeping	0.512**	1.000			
3. Budgeting & Planning	0.489**	0.531**	1.000		
4. Investment Decisions	0.441**	0.396**	0.502**	1.000	
5. SME Growth	0.621**	0.589**	0.563**	0.498**	1.000

Note: *** $p < 0.01$ (two-tailed)*

Source: Primary Data, 2026

The correlation results presented in Table 2 provide compelling evidence of significant positive associations between all financial management practice dimensions and SME growth. Working capital management showed the strongest correlation with SME growth (r = 0.621, p < 0.01), confirming that SMEs with more effective management of their current assets and liabilities tended to experience significantly higher growth(George Stanley & Nafiu, 2020). This strong positive correlation is theoretically consistent with the argument that liquidity management is fundamental to SME operational continuity and expansion capacity, as firms that can efficiently convert inventory to receivables and receivables to cash are better positioned to seize growth opportunities and weather financial downturns.

Financial record-keeping demonstrated a notably strong positive correlation with SME growth (r = 0.589, p < 0.01), underscoring the pivotal role of systematic documentation of financial transactions in enabling informed decision-making, accessing credit from financial institutions, and ensuring tax compliance(Nelson et al., 2023). SMEs that maintained proper financial records were evidently better able to track their financial performance, identify inefficiencies, and plan for expansion, thereby recording superior growth outcomes.

Budgeting and planning also exhibited a significant positive relationship with SME growth (r = 0.563, p < 0.01), indicating that enterprises with formal budgeting processes achieved better growth performance. This finding underscores the importance of financial planning as a tool for resource allocation, expenditure control, and performance monitoring in SMEs(Annet et al., 2023). Investment decision-making was positively and significantly correlated with SME growth (r = 0.498, p < 0.01), though its correlation was the weakest among the four dimensions,

Received: 13.06.2026 Accepted: 17.06.2026 Published on: 30.06.2026

possibly because many SMEs in the sample reported low engagement with formal investment appraisal techniques. Notably, the intercorrelations among the financial management practice dimensions were all moderate and positive, ranging from r = 0.396 to r = 0.531, suggesting complementarity among these practices without evidence of problematic multicollinearity.

6.3 Multiple Regression Analysis

Multiple linear regression analysis was conducted to determine the combined and individual predictive effects of financial management practices on SME growth. Results are presented in Tables 3 and 4.

Table 3: Model Summary

Model	R	R^2	Adjusted R^2	Std. Error of Estimate	F	Sig.
1	0.790	0.624	0.611	0.432	48.312	0.000

Source: Primary Data, 2026

Table 4: Regression Coefficients

Predictor	B	Std. Error	Beta (β)	t	Sig.	VIF
(Constant)	0.481	0.212	—	2.268	0.025	—
Working Capital Management	0.341	0.089	0.312	3.831	0.000	1.521
Financial Record-Keeping	0.298	0.096	0.278	3.104	0.002	1.643
Budgeting & Planning	0.261	0.085	0.241	3.071	0.003	1.598
Investment Decision-Making	0.189	0.094	0.176	2.011	0.047	1.481

Dependent Variable: SME Growth

Source: Primary Data, 2026

The regression results presented in Tables 3 and 4 offer rich insights into the individual and collective predictive power of financial management practices on SME growth in Mbarara City. The model summary in Table 3 reveals that the four financial management practice dimensions collectively explained 62.4% of the variance in SME growth ($R^2 = 0.624$, Adjusted $R^2 = 0.611$), indicating a strong explanatory model. The overall model was statistically significant ($F = 48.312$, $p < 0.001$), confirming that the model provides a significantly better fit than the null model and that the combined effect of financial management practices on SME growth is not attributable to chance.

Working capital management emerged as the strongest individual predictor of SME growth ($\beta = 0.312$, $t = 3.831$, $p < 0.001$). This finding implies that a one-unit increase in the quality of working capital management practices is associated with a 0.341-unit increase in SME growth, holding all other predictors constant. The significance of working capital management as the dominant predictor aligns with empirical evidence from Padachi (2006) and

Received: 13.06.2026 **Accepted: 17.06.2026** **Published on: 30.06.2026**

Deloof (2003), who demonstrated that firms with superior current asset management consistently outperform their counterparts in terms of profitability and growth.

Financial record-keeping was the second strongest predictor ($\beta = 0.278$, $t = 3.104$, $p = 0.002$), indicating that improvements in financial documentation practices translate to meaningful gains in SME growth outcomes. This finding is consistent with Maseko and Manyani (2011), who found that formal record-keeping significantly enhanced SME financial performance in Zimbabwe. The positive and significant coefficient underscores that SMEs in Mbarara City that document their transactions systematically are able to generate insights that drive growth-oriented decisions, attract external financing, and demonstrate accountability to stakeholders.

Budgeting and planning contributed significantly to SME growth ($\beta = 0.241$, $t = 3.071$, $p = 0.003$), confirming that formal financial planning is a meaningful driver of enterprise growth even after controlling for other financial management practices. Investment decision-making, while the weakest predictor, still attained statistical significance ($\beta = 0.176$, $t = 2.011$, $p = 0.047$), suggesting that even modest engagement with structured investment appraisal yields tangible growth benefits for SMEs in Mbarara City(Nelson et al., 2023). The Variance Inflation Factors (VIF) for all predictors ranged from 1.481 to 1.643, well below the critical threshold of 10, confirming that multicollinearity was not a concern in the regression model.

7.0 Discussion of Results

The results of this study provide compelling evidence that financial management practices are significant determinants of SME growth in Mbarara City. The finding that working capital management is the strongest predictor of SME growth ($\beta = 0.312$) is consistent with extensive empirical literature highlighting the centrality of liquidity management to SME performance in developing economies (Abor & Quartey, 2010; Makori & Jagongo, 2013). In the context of Mbarara City, where SMEs face irregular cash flows due to seasonal demand patterns and limited access to overdraft facilities, effective working capital management becomes even more critical as a driver of operational resilience and growth.

The finding that financial record-keeping significantly predicts SME growth ($\beta = 0.278$) reflects the transformative role of systematic financial documentation in enabling evidence-based management decisions. In a city where many SMEs operate in the informal sector with minimal professional accounting support, the positive relationship between record-keeping and growth suggests that even basic improvements in financial documentation can yield substantial growth dividends. This finding resonates with Nkundabanyanga et al. (2014), who demonstrated that Ugandan SMEs with stronger financial reporting practices had better access to bank credit, a key enabler of expansion.

Received: 13.06.2026 **Accepted: 17.06.2026** **Published on: 30.06.2026**

The significant predictive power of budgeting and planning ($\beta = 0.241$) despite recording the lowest mean score among the financial management dimensions is particularly instructive. It suggests that even moderate engagement with budgeting practices delivers measurable growth benefits, implying that marginal investments in building budgeting capacity among Mbarara SMEs could yield disproportionately large returns in terms of growth performance. This view is supported by Drury (2015), who argues that budgeting transforms management intention into actionable financial plans, thereby reducing resource wastage and enabling purposeful resource deployment toward growth objectives. The model's overall explanatory power of 62.4% ($R^2 = 0.624$) is noteworthy and suggests that financial management practices collectively constitute a robust predictor of SME growth. The remaining 37.6% of variance may be attributable to other factors not examined in this study, including market conditions, business environment quality, access to technology, social capital, and managerial experience. These factors could be explored in future research to develop a more comprehensive model of SME growth determinants in Mbarara City.

8.0 Conclusions and Recommendations

8.1 Conclusions

This study concludes that financial management practices are significant, positive, and collectively strong determinants of SME growth in Mbarara City, Uganda. Working capital management, financial record-keeping, and budgeting and planning each independently and significantly predict SME growth, collectively explaining 62.4% of the variance in growth outcomes. The moderate levels of practice observed across all financial management dimensions suggest that there is considerable room for improvement, with significant potential benefits for SME growth if these practices are enhanced.

8.2 Recommendations

Based on the findings, this study recommends that the Uganda government, through the Ministry of Trade, Industry and Cooperatives, establish financial management training programs specifically tailored to SME operators in secondary cities like Mbarara. These programs should prioritize working capital management, basic bookkeeping, and budgetary planning as core modules. Financial institutions operating in Mbarara should develop simplified financial management toolkits and mobile-based accounting applications that SMEs can use with minimal technical expertise. The Mbarara City Authority should partner with business development service providers to offer subsidized accounting and financial advisory services to registered SMEs. Future research should explore the mediating role of access to finance and the moderating role of business environment in the relationship between financial management practices and SME growth.

References

Abeywardhana, D. (2017). Capital structure theory: An overview. Accounting and Finance Research, 6(1), 133-138.

Abor, J., & Quartey, P. (2010). Issues in SME development in Ghana and South Africa. International Research Journal of Finance and Economics, 39, 218-228.

Received: 13.06.2026 Accepted: 17.06.2026 Published on: 30.06.2026

Barney, J. (1991). Firm resources and sustained competitive advantage. Journal of Management, 17(1), 99-120.

Creswell, J. W. (2014). Research design: Qualitative, quantitative, and mixed methods approaches (4th ed.). SAGE Publications.

Deloof, M. (2003). Does working capital management affect profitability of Belgian firms? Journal of Business Finance & Accounting, 30(3-4), 573-588.

Abiodun Nafiu, L. (2012). Comparison of One-Stage, Two-Stage, and Three-Stage Estimators Using Finite Population. *The Pacific Journal of Science and Technology-166*, *13*(2), 166–171. http://www.akamaiuniversity.us/PJST.htm

Ahumuza, A., Kobusingye, P., & Musiimenta, N. (2025). *Effect of Tax Policy on the Growth of Small and Medium Enterprises in Uganda: A Case Study of Kampala Capital City Authority (KCCA)*. *4*(2), 137–146.

Akankwasa, A., Akakikunda, T., Ntirandekura, M., Murezi, C. M., & Christopher, F. (2022). *Effect of Capital Budgeting on Development of Organizations Empirical Studies of Kashinge Child Development Centre Kisoro District* . *6*(9), 5–10.

Alex, I., & Julius, A. (2024). *Factors affecting the use of digital payments among Smallholder Tea Farmer in Kanungu District, Uganda*. *8*(4), 23–31. www.ijeais.org/ijapr

Alex, I., & Moses, N. (2024). *Interest Rates and its Impact on Stock Prices among Small Scale Enterprises : An Empirical Evidence of Kampala District*. *8*(4), 43–46.

Annet, N., Andrew, N., Kazaara, A. G., Christopher, F., & Moses, N. (2023). *Impact of Budgeting On the Profitability of a Manufacturing Company , a Case Study of Harris International*. *7*(2), 112–126.

Christopher, T. (2022). *Financial Distress among Manufacturing Companies in*. *6*(12), 104–110.

David, M., Julius, A., Ariyo, D., & Kazaara, G. (2023). THE ROLE OF COMMERCIAL BANKS IN SMALL SCALE ENTREPRENEURIAL DEVELOPMENT IN ADJUMANI DISTRICT, A CASE STUDY OF CENTENARY BANK Background of the Study. *METROPOLITAN JOURNAL OF BUSINESS & ECONOMICS (MJBE*, *2*(3), 1490–1505.

Frank, M., Nelson, K., Kazaara, A. G., Deus, T., Christopher, F., & Catherine, M. (2023). *The Macroeconomic Determinants of Economic Growth in Uganda a Case Study Of Wakiso Distict*. *7*(2), 147–159.

George Stanley, K., & Nafiu, L. A. (2020). *Analysis of Monetary Policy Objectives as Applied to Uganda's Economy: The Dream to Achieve the Middle-Income Status in 2020 is Gone*. *10*(05), 8–14.

Julius, A., & Matovu, K. (2025). *Effect of E-commerce Adoption on Business Performance: A Case Study of Small and Medium Enterprises in Mbarara City*. *4*(2), 93–102. https://www.journals.miu.ac.ug

Kazaara, A. G., & Kazaara, A. I. (2023). *Assess The Impacts Of Inflation To The Development Of Societies . A Case Study of Kagadi District*. *7*(3), 281–290.

Kazaara, A. G., Nelson, K., & Kazaara, A. I. (2024). *Impact of Artificial Intelligence on Organizational*

Metropolitan Journal of Academic and Applied Research
ISSN: 3006-6417
Vol. 5 Issue 6, June- 2026, Pages: 250-261

Efficiency and Productivity . A Case Study of Metropolitan International University , Kampala Campus. *8*(8), 254–260.

Kazaara, A. I., & Audrey, A. (2024). *Sustainable Supply Chain Management Practices and their Effect on Firm Performance , A Case Study of Cheap General Hardware , Nansana Brach*. *8*(8), 268–274.

Nelson, K., Christopher, F., & Milton, N. (2022). *Teach Yourself Spss and Stata*. *6*(7), 84–122.

Nelson, K., Kazaara, A. G., & Kazaara, A. I. (2023). *Teach Yourself E-Views*. *7*(3), 124–145.

Promise, O., Henry, M., & Julius, A. (2024). *External Auditing and The Financial Performance Of Sebbi International Limited , Entebbe*. *8*(6), 156–161.

Ramadhan, B., Alex, I., Kazaara, A. G., Nelson, K., Deus, T., & Pascal, T. (2023). *Taxation and the Development of Small Businesses in Uganda , a Case Study of Iganga District*. *7*(2), 136–149.

Sophie, N., & Crispus, F. (2024). *Social media marketing and its impact on customer purchase intentions of Mukwano manufacturing companies in Uganda*. *8*(4), 92–95.

Winny, N. D., Ariyo, D., Kazaara, G., Kazaara, A. I., & Deus, T. (2023). Effect Of Motivation On Employee Performance In Non-Government Organizations (NGOS): A Case Of Mbale City. In *International Journal of Academic Multidisciplinary Research* (Vol. 7). www.ijeais.org/ijamr

Drury, C. (2015). Management and cost accounting (9th ed.). Cengage Learning.

Krejcie, R. V., & Morgan, D. W. (1970). Determining sample size for research activities. Educational and Psychological Measurement, 30, 607-610.

Kyazze, L. M., Nkote, I. N., & Wakaisuka-Isingoma, J. (2017). Cooperative governance and financial performance. Cogent Business & Management, 4(1), 1292887.

Makori, D. M., & Jagongo, A. (2013). Working capital management and firm profitability: Empirical evidence from manufacturing and construction firms. International Journal of Accounting and Taxation, 1(1), 1-14.

Maseko, N., & Manyani, O. (2011). Accounting practices of SMEs in Zimbabwe. Journal of Accounting and Taxation, 3(8), 171-181.

Mbogo, M. (2011). Influence of managerial accounting skills on SMEs on the success and growth of small and medium enterprises in Kenya. Journal of Language, Technology & Entrepreneurship in Africa, 3(1), 109-132.

Muhumuza, R. (2018). Financial record-keeping and performance of SMEs in Kampala, Uganda [Unpublished master's thesis]. Makerere University.

Myers, S. C., & Majluf, N. S. (1984). Corporate financing and investment decisions when firms have information investors do not have. Journal of Financial Economics, 13(2), 187-221.

Nkundabanyanga, S. K., Opiso, J., Balunywa, W., & Nkote, I. N. (2014). Financial services outreach, credit terms and loan performance: Evidence from Uganda's financial sector. African Journal of Economic and Management Studies, 5(3), 358-368.

Received: 13.06.2026 **Accepted: 17.06.2026** **Published on: 30.06.2026**

Njeru, M. (2017). Effect of working capital management on financial performance of deposit-taking savings and credit co-operatives in Kenya. International Journal of Finance and Accounting, 2(1), 1-12.

Nsereko, I., Balunywa, W., Nkote, I., Katono, I., Orobia, L., & Munene, J. (2018). Financial literacy and its implication on SME performance. International Journal of Economics, Commerce and Management, 6(4), 21-38.

Nunnally, J. C. (1978). Psychometric theory (2nd ed.). McGraw-Hill.

OECD. (2019). OECD SME and Entrepreneurship Outlook 2019. OECD Publishing.

Olawale, F., & Garwe, D. (2010). Obstacles to the growth of new SMEs in South Africa. African Journal of Business Management, 4(5), 729-738.

Padachi, K. (2006). Trends in working capital management and its impact on firms' performance: An analysis of Mauritian small manufacturing firms. International Review of Business Research Papers, 2(2), 45-58.

Pandey, I. M. (2015). Financial management (11th ed.). Vikas Publishing House.

Private Sector Foundation Uganda. (2021). SME baseline survey report for Western Uganda. PSFU.

Uganda Bureau of Statistics. (2020). Uganda Business Register 2019/2020. UBOS.

Uganda Investment Authority. (2020). Investment abstract 2020. UIA.

Received: 13.06.2026 **Accepted: 17.06.2026** **Published on: 30.06.2026**