

**BUDGETARY CONTROLS AND THE FINANCIAL PERFORMANCE OF SMALL
BUSINESSES IN BUGUJJU, MUKONO, UGANDA**

JOKWAN NYAWECH

S23B33/067

**A DISSERTATION SUBMITTED TO THE SCHOOL OF BUSINESS IN PARTIAL FULFILLMENT
OF THE REQUIREMENTS FOR THE AWARD OF A DEGREE OF BACHELOR OF SCIENCE
IN ACCOUNTING AND FINANCE OF UGANDA CHRISTIAN UNIVERSITY**

April, 2026



**UGANDA CHRISTIAN
UNIVERSITY**

A Centre of Excellence in the Heart of Africa

DECLARATION

DECLARATION

Nyawech Jokwan swears and affirms that the above research work is wholly independent and done under the guidance of my supervisor, and has not been previously presented for any award elsewhere.

Signature: 

Date: 09 / 04 / 2026

NYAWECH JOKWAN

S23B33/067

APPROVAL

This research report has been done under my supervision and hereby submitted with my approval.

Signature.......... Date.....09...../.....04...../.....26.....

MR. AGUME ANTHONY KABISYAKI

(Supervisor)

DEDICATION

With unique regard, I wish to commit this piece of labor to my circle of relatives who have continually been there to aid me in my schooling. Can also the Almighty God richly bless you.

ACKNOWLEDGEMENT

I wish to thank Almighty God not only for granting me the gift of life but also for leading me in my academic journey. Though it has not always been an easy one, it has been a realistic one. I wish to thank my tutor, Mr. Agume Anthony Kabisyaki, for his dedication and knowledge in this field.

I must also thank the managers and owners of the selected small businesses in Mukono Municipality for providing me with the information necessary to complete my study.

Lastly, I wish to thank my lovely family members for their encouragement, monetary assistance, and spiritual strength in my academic journey.

Thank you.

Table of Contents

DECLARATION	i
APPROVAL	ii
DEDICATION	iii
ACKNOWLEDGEMENT	iv
LIST OF TABLES	viii
ABSTRACT.....	ix
CHAPTER ONE	1
INTRODUCTION	1
1.0 Introduction.....	1
1.1 Background of the study	1
1.2 Problem statement.....	3
1.3 Purpose of the study.....	4
1.4 Objectives of the study.....	4
1.5 Research questions.....	4
1.6 Scope of the study	4
1.6.1 Content Scope	4
1.6.2 Time scope	5
1.6.3 Geographical scope	5
1.7 Justification of the study	5
1.8 Significance of the study.....	5
1.9 Conceptual framework.....	6
CHAPTER TWO	8
LITERATURE REVIEW	8
2.0 Introduction.....	8
2.1 Conceptual review	8
2.1.1 Budgetary Controls	8
2.1.2 Financial Performance of Small Businesses	9
2.2 Empirical review of the study objectives.....	10
2.2.1 Budget planning and financial performance of small businesses	10
2.2.2 Budget implementation and financial performance of small businesses	11

2.2.3 Budget review and financial performance of small businesses.....	13
2.3 Research/ Literature Gap	15
CHAPTER THREE	15
METHODOLOGY	15
3.0 Introduction.....	15
3.1 Research design and approach	16
3.2 Area of the study	16
3.3 Study population	17
3.4 Sampling procedure and sample size	17
3.5 Sampling method	18
3.6 Sources of data.....	18
3.7 Data collection method	18
3.7.1 Survey	18
3.8 Data collection instrument	19
3.8.1 Questionnaires.....	19
3.9 Data collection procedure	19
3.10 Validity and reliability of the research instruments	20
3.10.1 Validity	20
3.10.2 Reliability.....	20
3.11 Data Analysis.....	20
3.11.1 Analysis of quantitative data.....	20
3.12 Ethical Considerations	21
3.13 Limitations and delimitations of the study.....	22
CHAPTER FOUR.....	23
DATA PRESENTATION AND INTERPRETATION OF RESULTS.....	23
4.0 Introduction.....	23
4.1 Response rate	23
4.2 Findings on demographic characteristics of respondents.....	24
4.2.1 Gender of the respondents.....	24
4.2.2 Age of the respondents.....	25
4.2.3 Education level of the respondents	25
4.2.4 Category of business respondents operate in	26

4.2.5 Period spent operating the business	26
4.3 Budget planning and financial performance of small businesses in Bugujju	27
4.4 Budget implementation and financial performance of small businesses in Bugujju	30
4.5 Budget review and financial performance of small businesses in Bugujju.....	33
CHAPTER FIVE	36
SUMMARY, DISCUSSION, CONCLUSION AND RECOMMENDATIONS.....	36
5.0 Introduction.....	36
5.1 Summary of findings.....	36
5.2 Discussion of findings.....	38
5.2.1 Budget planning and financial performance of small businesses in Bugujju.....	38
5.2.2 Budget implementation and financial performance of small businesses in Bugujju	39
5.2.3 Budget review and financial performance of small businesses in Bugujju.....	40
5.3 Conclusion	41
5.4 Recommendations.....	42
5.5 Areas for further research	43
REFERENCES	44
APPENDICES	46
Appendix 1: Questionnaire	46

LIST OF TABLES

Table 1: Response rate	24
Table 2: Gender	25
Table 3: Age	25
Table 4: Level of education	26
Table 5: Category of business	27
Table 6: Period spent operating the business	27
Table 7: Budget planning and financial performance of small businesses in Bugujju	28
Table 8: Pearson's correlation on budget planning and financial performance	30
Table 9: Budget implementation and financial performance of small businesses	31
Table 10: Pearson's correlation on budget implementation and financial performance	33
Table 11: Budget review and financial performance of small businesses in Bugujju	34
Table 12: Pearson's correlation on budget review and financial performance	36

ABSTRACT

This study assessed the correlation between budget control and the financial performance of small firms based in Bugujju, Mukono, Uganda. The study was specifically concerned with; finding out the correlation between budget planning and financial performance of small firms in Bugujju, identifying the correlation between budget implementation and financial performance of small firms in Bugujju, and assessing the correlation between budget reviewing and financial performance of small firms in Bugujju.

The study was conducted utilizing a quantitative research approach and a cross-sectional survey research design. Questionnaires were employed to gather the data, and a straightforward random sample technique was applied. This study employed a sample size of 44 registered small enterprises in Bugujju, Mukono Municipality, each represented by a manager or owner.

The study findings established that budgetary controls specifically budget planning, implementation, and review are widely practiced among small businesses in Bugujju and significantly enhance financial performance through improved financial discipline, resource allocation, accountability, and decision-making; this is supported by strong positive and statistically significant relationships between budget planning ($r = 0.663$, $p < 0.05$), budget implementation ($r = 0.587$, $p < 0.05$), and budget review ($r = 0.645$, $p < 0.05$) with financial performance.

Lastly, the survey encouraged that small businesses in Bugujju institutionalize formal finances planning, reinforce finances implementation, conduct everyday price range reviews, combine beyond overall performance into future budgets, and undertake effective tracking and reporting mechanisms to decorate economic discipline, responsibility, resource utilization, and average monetary overall performance.

CHAPTER ONE

INTRODUCTION

1.0 Introduction

The study focused on the relationship between budgetary control and the financial performance of small firms in Bugujju, Mukono, Uganda. This chapter highlights the history of the study, problem statement, objectives, research questions, scope, importance, and conceptual framework.

1.1 Background of the study

Budgetary controls are a significant aspect of financial management that guide organizations in planning, monitoring, and evaluating their financial resources in an attempt to achieve pre-set objectives (Schubert & Kirsten, 2021). Budgetary controls involve budgets setting, comparison of actual performance with planned objectives, and corrective actions where there are variances (Ali et al., 2023). Especially for small businesses, effective budgetary control ensures optimum utilization of limited resources, minimizes wastages, and encourages accountability in financial management (Matsoso et al., 2021). Budgetary control, in essence, serves as a tool for decision-making and as a benchmark by which the financial performance in an organization is measured (Ebhotu et al., 2024). If not effectively managed through budgeting, small firms may witness challenges such as cash management problems, uncontrollable spending, and poor profitability that could threaten their existence (Habineza & Cortez, 2023).

In practical terms, budgetary control helps small firms set realistic financial objectives and align operating activities towards the realization of these goals (Fasesin et al., 2023). It involves a systematic manner of controlling income, expenditure, and investments, thereby enabling proper resource allocation and risk reduction (Mbogo et al., 2021). Budget controls also enable entrepreneurs and business managers to achieve financial discrepancies in time and put in place rectification policies in order to prevent losses (Makoba, 2023). It enhances the productivity of managers and inculcates a culture of performance monitoring and accountability among employees (Michira, 2022). Research have also indicated that companies with formal budgetary control systems are much more likely to have higher profitability, liquidity, and average financial performance as compared to firms with susceptible or no controls (Nair et al., 2020).

Globally, the utilization of budgetary controls in improving monetary overall performance has been broadly followed in most international locations (Chidinma, 2022). Within the US, SMEs which have embraced rigorous budgetary policies have recorded huge sales management and operational performance gains. Budgetary controls have, in Germany, been related to elevated profitability and better strategic making plans amongst SMEs (Mohamed, 2022). Different European nations like France and Italy also registered that SMEs that appoint budgetary tracking acquire superior price manipulate and sustainable growth (Fasesin et al., 2023). At the Asian continent, nations like India, China, and Malaysia have also established that SMEs with proper budgetary practices have stepped forward economic reporting and extended investor self-assurance (Ali et al., 2023). the global proof highlights that budgetary control, irrespective of the geographical placing, is pivotal in ensuring organizational balance and financial wealth (Ebhotu et al., 2024).

In Africa, budgetary manipulate strategies have been gaining traction among SMEs as a vehicle for progressed financial overall performance. In Nigeria, studies show that production SMEs which have adopted rigorous budgetary frameworks have experienced improved profitability and operational performance (Fasesin et al., 2023). In Kenya, SMEs in Nairobi County that workout budgetary control have higher economic subject and decision-making (Mbogo et al., 2021). In Douala, Cameroon, SMEs that comply with formal budgeting techniques display higher revenue management and reduced financial mismanagement (Takwa et al., 2024). In Somalia, small corporations have also benefited from budgetary manage processes in stepped forward economic manipulate and strategic allocation of scarce resources (Mohamed, 2022). Sub-Saharan African literature, specially, highlights that however hiccups of terrible financial literacy and inclusion in formal banking frameworks, budgetary control stays a pinnacle catalyst for financial sustainability and boom amongst SMEs (Ali et al., 2023).

Small businesses are the lifeline of Uganda's local economies, for instance, Bugujju in Mukono District (Otai & Birungi, 2025). These businesses are prone to resource constraints, financial mismanagement, and limited access to formal financial services affecting their performance (Mpora et al., 2025). The presence of efficient budgetary controls can allow SMEs in Bugujju to control cash flows, control costs, and plan for expansion in an orderly manner (Musana, 2022). Empirical evidence from Ugandan SMEs indicates that companies with formal budgeting and

control systems are less vulnerable to financial shocks and are more profitable compared to their counterparts without such systems (Takwa et al., 2024). Therefore, investigating the impact of budgetary controls on the financial performance of SMEs in Bugujju, Mukono, was critical for policy informing, improvement of managerial practice, and general sustainability enhancement of the enterprises (Okumu, 2021).

1.2 Problem statement

Ideally, effective budgetary controls enable small businesses to plan, allocate, and monitor financial resources efficiently, thereby enhancing financial performance (Schubert & Kirsten, 2021). However, in Bugujju, Mukono, many small organizations continue to revel in declining economic overall performance due to weak price range making plans, bad expenditure manage, and inadequate finances evaluation (Otai & Birungi, 2025). According to UBOS (2024), profitability ranges amongst small organizations in Mukono have dropped through 28% over the last 3 years, while UIA (2024) reports that 55% of firms battle with liquidity and cash float control. Similarly, about 60% of small agencies in Uganda fail within their first 5 years of operation (Mpora et al., 2025). If unaddressed, those challenges might also lead to commercial enterprise closures and reduced neighborhood economic productiveness (Okumu, 2021). Despite the fact that stakeholders including the Ministry of alternate, Mukono District nearby authorities and Uganda Small Scale Industries affiliation have initiated education and capability-building packages, the financial performance of small agencies on this area remains unsatisfactory (Musana, 2022).

Moreover, previous research by means of pupils like Fasesin et al. (2023); Habineza & Cortez (2023) have explored the relationship among budgeting and organizational overall performance in different contexts, focusing in particular on production SMEs, kingdom-owned organizations. Different students like Ebhota et al. (2024); Musana (2022) have concentrated on the role of digital transformation and accounting systems in influencing monetary consequences. However, restrained interest has been given to how budgetary controls have an effect on financial overall performance of small groups at the local degree, specifically in Bugujju, Mukono. This study, therefore, sought to fill this gap by examining the relationship between budgetary controls and financial performance of small businesses in Bugujju, Mukono, Uganda.

1.3 Purpose of the study

The purpose of this study was to examine the relationship between budgetary controls and the financial performance of small businesses in Bugujju, Mukono, Uganda.

1.4 Objectives of the study

- i. To establish the relationship between budget planning and financial performance of small businesses in Bugujju.
- ii. To determine the relationship between budget implementation and financial performance of small businesses in Bugujju.
- iii. To examine the relationship between budget review and financial performance of small businesses in Bugujju.

1.5 Research questions

- i. What is the relationship between budget planning and financial performance of small businesses in Bugujju?
- ii. What is the relationship between budget implementation and financial performance of small businesses in Bugujju?
- iii. What is the relationship between budget review and financial performance of small businesses in Bugujju?

1.6 Scope of the study

1.6.1 Content Scope

The study was explicitly delimited in that it aimed at; establishing the correlation between budgeting planning and the financial performance of small businesses in Bugujju, examining the correlation between budgeting implementation and the financial performance of small businesses in Bugujju, and establishing the correlation between budgeting review and the financial performance of small businesses in Bugujju.

1.6.2 Time scope

The review of the literature was done for five years, between 2021 and 2025. The selected time frame enabled a detailed examination of contemporary trends and patterns regarding the use of budgetary control measures and its impact on the financial performance of small firms in Bugujju, Mukono.

1.6.3 Geographical scope

This study was conducted in Bugujju situated in Mukono Municipality, Mukono district in the Central Region of Uganda. Small businesses in Bugujju were selected because there has been a high rate of business failure in the area, with over 50% of them closing within their first five years, a trend that could be partly attributed to weak budgetary controls and poor financial management practices (UBOS, 2024).

1.7 Justification of the study

The justification for conducting this study was based on the need to address the perennial failure of small businesses in Bugujju, Mukono, regarding their economic performance, which undermines their sustainability and ability to make local economic development (Otai & Birungi, 2025). While previous research has explored budgeting and financial performance in SMEs elsewhere (Ali, Hassan, & Kadir, 2023; Schubert & Kirsten, 2021), no research has focused on the immediate impact of budgetary controls like budget planning, implementation, and review on profitability, liquidity, growth in sales, and cost control among small businesses in Bugujju. This study aimed to fill this research space by providing empirical evidence to guide business owners, policymakers, and financial managers on how to effectively employ effective budgeting practices to enhance the overall financial performance and sustainability of such enterprises.

1.8 Significance of the study

The study would allow policymakers to develop evidence-based policy and guidelines that promote good budgetary control practice, thus improved financial performance and sustainability of small businesses in Bugujju, Mukono.

The study would also inform business support organizations and financial managers to develop training and advisory services that improve budget planning, implementation, and reviewing among small business entrepreneurs, for improved financial management and utilization of resources.

The findings of the study would be useful to entrepreneurs in Bugujju and Uganda at large since they would learn how effective budgetary controls can influence their financial performance. The entrepreneurs will have the know-how to implement proper budgeting concepts, make effective financial decisions, and improve overall business performance.

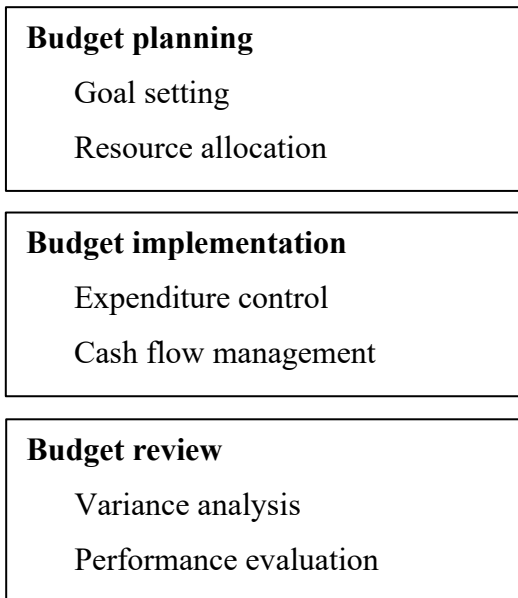
Lastly, the study would contribute to the literature on the effects of budgetary controls on the financial performance of small-scale businesses, Bugujju, Mukono, in this instance. Other researchers can use it as a foundation to address related topics and continue understanding the role played by financial management practices in SME sustainability.

1.9 Conceptual framework

Figure 1: Conceptual Framework

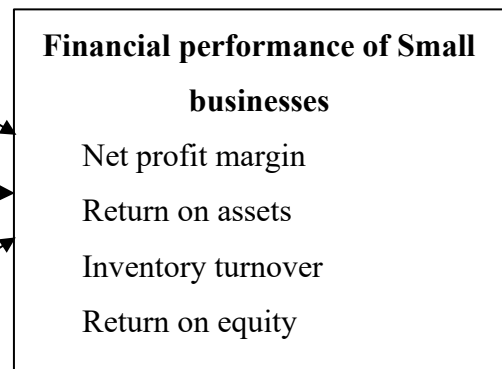
Independent variable

Budgetary Controls



Dependent variable

Financial Performance



Source: *Adopted from, Mohamed (2022); Schubert & Kirsten (2021) and modified by the researcher (2025)*

The conceptual framework illustrates that budgetary controls comprising budget planning (goal setting and resource allocation), budget implementation (expenditure control and cash management), and budget review (variance analysis and performance assessment) have a clear and significant influence on the financial performance of small firms, as reflected through net profit margin, return on assets, inventory turnover, and return on equity. Effective budget control enables small businesses to plan their finances strategically, implement expenditure accordingly, and evaluate performance in stages, which cumulatively speeds up their entire financial stability and growth.

CHAPTER TWO

LITERATURE REVIEW

2.0 Introduction

This chapter offers a review of pertinent studies by a number of academics as well as the opinions of other researchers regarding the connection between budgetary controls and small firms' financial performance. The primary objective of this literature is to determine what has been done and what has not been done in this field of study. As a result, research-related books, periodicals, newspapers, and encyclopedias were consulted.

2.1 Conceptual review

2.1.1 Budgetary Controls

Budget controls are generally defined as the procedures and systems that firms apply to plan, authorize, monitor and assess funds against pre-determined goals (Schubert & Kirsten, 2021). Some academics define budgetary controls narrowly as accounting techniques for the recognition and correction of variances (Chidinma, 2022), while others define them more expansively to include behavioral and managerial processes affecting resource apportionment and company discipline (Matsoso et al., 2021). These opposing definitions reflect a tension in the literature between analyzing budgetary controls as technical accounting systems and strategic management tools that determine decision-making and organisational results (Ali et al., 2023).

Different scholars have quantified budgetary controls on different dimensions, based on their theoretical emphasis and research context; for example, some articles emphasize planning, implementation and review (Takwa et al., 2024), while others emphasize cost control, revenue tracking and performance measurement (Fasesin et al., 2023). Some research in developing-country SME contexts highlights cash-flow management and controls on expenditure as central dimensions because of the liquidity limitations under which small businesses operate (Mbogo et al., 2021). On the other hand, studies of larger or government organizations highlight policy compliance and formal budget monitoring processes as central dimensions, noting size differences and institutional setting (Habineza & Cortez, 2023).

Measurement tools in the literature are therefore different: quantitative research is likely to use measurements such as frequency of variance analysis, existence of formal budgets, and documented expenditure controls (Mohamed, 2022), while qualitative research asks questions regarding managerial attitude, engagement in budgeting and accountability practices (Nair et al., 2020). New research also introduces new variables such as the role played by digital tools and accounting information systems in facilitating budgetary controls that, based on most researchers, improves timeliness and accuracy of budget monitoring (Ebhotu et al., 2024). Yet, measurement inconsistency across studies (e.g., different items and scales) makes cross-study comparison cumbersome and necessitates a more standardized set of dimensions such as planning, implementation and review to enable effective assessment of how budgetary controls affect financial outcomes (Okumu, 2021).

2.1.2 Financial Performance of Small Businesses

Financial performance of small businesses is often known to be the extent to which a firm deploys its resources to generate revenues, control costs, and ensure sustainability as well as growth (Makoba, 2023). Others comprehend financial performance in terms of profitability, in which it is the final measure of business success and of business effectiveness (Michira, 2022). Others argue that it encompasses a broader array of indicators such as liquidity, solvency, and cash flow stability that provide a better picture of financial health (Otai & Birungi, 2025).

For instance, Mpora et al. (2025) identify areas that are measurable like return on assets, sales growth, and liquidity ratios, arguing that these constitute objective facts for financial success. As a substitute, Makoba (2023) posits that qualitative aspects inclusive of manager effectiveness, strategic selection-making, and economic control structures should supplement quantitative signs considering the fact that they affect sustainability in risky business environments. In addition, Mohamed (2022) posits that non-monetary drivers consisting of client loyalty and innovation circuitously effect monetary outcomes, implying that monetary overall performance need to be mentioned as a multi-dimensional construct influenced via internal and external business forces. However, Mpora et al. (2025) observe that the majority of small enterprises struggle to maintain these elements concurrently due to limited access to financing, insufficient internal controls, and deficient managerial capacity, particularly in emerging economies like Uganda.

2.2 Empirical review of the study objectives

2.2.1 Budget planning and financial performance of small businesses

Schubert and Kirsten (2021) in their study examined the link between budget planning and the financial performance of SMEs in Germany and concluded that there is significant improvement in profitability and operating efficiency through clearly set financial targets and resource allocation by proper budget planning. The study emphasized that firms with efficiently set financial targets and well-structured planning processes had enhanced profit margins and efficient liquidity management. Similarly, Mbogo et al. (2021) analyzed how financial performance in Nairobi County Kenya-based manufacturing SMEs is affected by budgeting practices and found that firms that engaged in participatory budget planning whereby owners and managers worked together to determine priority expenditure had consistent growth in sales and profit levels. Yet, according to both studies, most small businesses lack sufficient financial education and technical budget preparation expertise, which sets limits on the potential impact of formal budget preparation on performance.

Matsoso et al. (2021) measured budgeting and budgetary control behaviors in SMEs in emerging economies and asserted that budgeting success is contingent on the level of alignment with budgeting and business strategic goals. They concluded that SMEs with focus on long-term planning, forecasting, and financial target setting have improved cost control and liquidity stability. Similarly, Ali et al. (2023), in their study of SMEs in Somalia, indicated that budget planning has a causal and positive influence on organizational performance when risk assessment and contingency budgeting are factored into planning. Both studies indicate that budget planning induces financial discipline and accountability of managers, although execution problems such as informal planning culture and lack of proper documentation remain to constrain sustainable financial improvement among small businesses.

Habineza and Cortez (2023) elaborated on the effect of budget control on financial performance by state-owned enterprises and deduced that these are brought about by the process of planning, which is the pillar of financial sustainability and solidity. Research evidenced those institutions practicing thorough financial projecting and realistic setting of targets while preparing for budgeting experience lower variances between forecasted and actual performance.

Fasesin et al. (2023) tested the relationship between manufacturing SMEs' budgeting and economic overall performance in Osun country, Nigeria, and concluded that methodical budget making plans is a key determinant of profitability and fee manipulate. They concluded that companies with periodic overview and updating in their budget plans based totally on market conditions maintained advanced profitability and stepped forward liquidity ratios. Further, Okumu (2021), in a take a look at of Kenyan parastatals, ascertained that finances planning gives a framework for sound economic management, for that reason leading to progressed fund usage and advanced running performance.

Ebhota et al. (2024) explored how digitalization and budget control affect the financial performance of African SMEs, noting that technology-oriented integration into budget planning improves monitoring, accuracy, and resource allocation. The study ended by establishing that SMEs with digitalized budgeting enjoyed better control over finances, improved profitability, and faster response to market trends. Similarly, Takwa et al. (2024) compared SMEs in Douala and recorded that proper budgeting promotes transparency, offers better cost control, and heightens revenue predictability. Both studies record that automating budget preparation using software and data analysis significantly heightens the relationship between planning and financial performance, mainly in competitive markets where small enterprises are subject to severe financial distress and operational inefficiencies.

2.2.2 Budget implementation and financial performance of small businesses

Michira (2022) in his study found that effective budgeting with its firm discipline of adherence to planned spending ceilings and timely cash flow management significantly improves member-based financial institutions' liquidity as well as profitability with a corresponding impact expected for small businesses. A study by Musana (2022) also documented that SMEs which break down budget plans into disciplined day-to-day financial actions have better cost control and more stable cash flows, which consequently supports long-term sales performance. These findings in aggregate highlight that the fidelity of execution how closely actual spending follows the budget is as significant as the planning stage for financial performance.

Makoba (2023) tested institutions that tried to put in force finances guidelines and located those inconsistencies in spending cap software and ineffective cost tracking diminished projected

profitability and working efficiency improvements. Any other take a look at by means of Chidinma (2022) argued that execution mistakes in terms of unauthorized expenditure and shortage of cash-go with the flow control reason variances that consume margins and erode short-term solvency for small corporations. They both point out that implementation is a governance issue requiring overt authorisation, written rules, and responsibility mechanisms in order to deliver budgets as improved financial performance. They also observe that where the implementation is ad hoc, well-designed budgets regardless, fail to produce the desired improvements in sales development and cost control.

Mpora et al. (2025) examining SMEs in some Ugandan districts concluded that companies with organized implementation practices frequent spending checks and controlled cash management had reduced cases of financial distress and better profitability measures. Otai & Birungi (2025) conducted research in Mbale City and also established that effective implementation of budget controls embedded in internal controls was related to higher liquidity ratios and lower variance between budgeted and actual outcomes. These Ugandan findings validate other setting conclusions that the implementation quality directly affects measurable financial performance such as profitability, liquidity, and cost control. They also reinforce the reality that improving implementation in most instances requires internal control, bookkeeping, and routine managerial examination to be tightened in order to prevent slippages that damage financial health.

Musana (2022) also examined the role of accounting facts systems in mediating budgeting implementation and observed that firms using fundamental computerized ledgers as it should be carried out budgets and recorded quicker deviations detection. Michira (2022) also supported this, locating where implementation turned into enabled by way of modern monetary facts, managers may want to alter expenditures and coins flows in advance, leading to higher cost manipulate and preserved margins. Both studies show that technical capability to apply budgeting decisions through systems and timely data strengthens the implementation-financial performance relationship. They caution, however, that technology is not sufficient without managerial control and training to be able to react to the information created.

Makoba (2023) explored the consequences of failing budget realization and found that consistent overspending and inadequate cash management not only reduce short-term profitability but also impair companies' ability to finance growth, and therefore, smother sales growth in the long term.

Another paper by Mpora et al. (2025) pointed out that SMEs that invariably did not implement budgetary controls experienced falling cost control and rising chances of financial distress, eventually depressing long-term survival ratios. These papers together highlight that effective implementation of the budget is critical to translating intended objectives into sustainable financial success and that failure in implementation is a primary channel through which budgets fail. Therefore, efforts to improve implementation like training, more stringent internal controls, and enhanced cash monitoring are suggested to be done in order to improve the financial performance of small firms.

2.2.3 Budget review and financial performance of small businesses

Schubert and Kirsten (2021) in their study found that routine review processes of the budget allow for the identification of deviations early and rectification, hence allowing for continuous profitability improvement. Mbogo et al. (2021) in another study found that SMEs institutionalizing routine review of the budget have enhanced liquidity management as discrepancies between forecast and actual cash flows are identified and adjusted in time. These writers argue that budget review is more than retrograde accounting but is a forward-control that adds to cost control and defends profit margins. Another evidence from developing-economy SMEs is presented by research which states formal review schedules improve managerial accountability and reduce the likelihood of uncontrolled overspending. In general, therefore, the literature indicates that where budget review is frequent, small businesses experience fewer working-capital shocks and improved short-term solvency.

Matsoso et al. (2021) analyzed SME practices in an emerging economy and reached a conclusion that businesses that incorporate variance analysis with formal review meetings achieve better cost control and changes in operations. Ali et al. (2023) also did another study in Somalia that depicted how participatory feedback given by line managers on budget review makes corrective action more effective and contributes to quantifiable sales performance improvement. Both reports highlight, however, that the success of review depends on the quality of available information and the willingness of management to act upon identified variances. They also highlight that in the absence of up-to-date financial records, review processes amount to a mere formality and lack an enhancing impact on financial performance.

Ebhota et al. (2024) also experimented with the effect of the digital tools on budget review and found that SMEs that use digital reporting platforms do more frequent and accurate variance analysis, leading to faster corrective actions and improved profitability. Takwa et al. (2024) identified, in a study conducted in Douala, that routine budget review and real-time financial dashboards improved managers' ability to reallocate resources based on the fluctuations in the market, hence driving sales growth and cost containment. The studies bring to light that technology complements the effectiveness of budget review through improved timeliness and reduced information asymmetry between owners and managers. They warn, however, that technology needs to be complemented with training and basic reporting formats for small business environments to be able to capture these benefits.

Habineza and Cortez (2023) have analyzed the review of the budget in state enterprises and arrived at the view that regular review based on performance strengthens compliance with budgetary limits and reduces leakages otherwise draining profitability. Fasesin et al. (2023) carried out a Nigerian manufacturing SMEs study and observed that firms which incorporate performance evaluation into regular budget reviews experience reduced costs in production and improved margins. Both studies contend that performance appraisal during the review process offers clear lines of accountability and performance benchmarking which managers must meet, which enhances cost management and financial performance. They further state that without clear performance measures, reviews degenerate into box-ticking and do not have financial payoffs.

Okumu (2021) analyzed the effect of review depth and frequency on organizational performance and found that tighter review cycles are related to smaller variances and better budgetary compliance, and lead to better liquidity and profitability levels. Mohamed (2022) investigated manufacturing firms in Mogadishu and found that firms that performed quarterly variance analysis and performance review were more able to control cost and sustain sales growth amidst market uncertainty. Both authors agree that timely and well-documented budget reviews and open remedial action are essential to converting budget plans into actual fiscal returns for small and medium enterprises. They recommend that SMEs incorporate simple review templates, assign review responsibility, and follow-up on remedial action to close the gap between intended and actual performance.

2.3 Research/ Literature Gap

The summary of the gaps in the knowledge was that despite the fact that different studies have indicated a positive relationship between financial performance and budgetary controls, with most of the existing research being on the large companies and public organizations, there is little empirical information on the specific effect of budget planning, implementation, and review on the financial performance of small companies in the developing economies of Uganda. Furthermore, previous research discovers inconsistencies in the measurement of both financial performance measures and budgeting control dimensions that account for difficulty in generalizing results across contexts. Additionally, comparatively less attention has been paid to how managerial ability, internal control mechanisms, and the utilization of digital tools mediate this relationship. Therefore, the current study sought to address such gaps by examining the impact of budget preparation, implementation, and amendment on the performance of small-scale enterprises in Uganda's Mukono Municipality.

CHAPTER THREE

METHODOLOGY

3.0 Introduction

The methodological approach adopted is explicated in this chapter. This chapter explicated the research methodology applied in this study. These include study population, study design, and sample size. Variables, sampling technique, research tools, data handling, data analysis, ethical issues, and limitations of the study were also explained.

3.1 Research design and approach

In order to determine the correlation between budgetary control and financial performance in small firms operating within Bugujju, Mukono, Uganda, this study adopted a cross-sectional survey design research approach without manipulating any variable. The strength and direction of correlation between the variables in budgetary control and financial performance were established metrics using statistical techniques including correlation and regression analysis. Cross-sectional design was suitable because it captures the current budgeting practices among small businesses in their natural settings, providing real-life evidence of how small businesses utilize budgetary controls to optimize their financial performance. Besides, it is cost-effective, saves time, and enables the formation of empirical data that can direct financial management processes and policy interventions to enhance the financial performance of small-scale enterprises in Bugujju, Mukono (Patrik & Ugo, 2019).

More so, a quantitative research approach became also used on this study, that's worried with accumulating and reading numerical data to make numerical values to account for relationships among budgetary manage practices and economic overall performance. Data was collected systematically using structured questionnaires filled in by owners or managers of selected small businesses. Statistical strategies, along with correlation evaluation, had been implemented to discover the degree to which price range controls influence economic results. The quantitative approach was appropriate since it facilitates precise measurement, testing of hypotheses, and objective evaluation of the association between variables (Leedy & Ormurd, 2013).

3.2 Area of the study

This study was carried out in Bugujju located in Mukono Municipality, Mukono district located in the Central region of Uganda. Small businesses in Bugujju were selected because there has been a high rate of business failure in the area, with over 50% of them closing within their first five years, a trend that could be partly attributed to weak budgetary controls and poor financial management practices (UBOS, 2024).

3.3 Study population

The population, according to Trochim (2006), is the group from which a researcher wishes to draw a sample in order to draw generalizations. According to Mukono Municipal Council (MMC) records (2025), there are approximately 50 registered small businesses dealing in different businesses operating in Bugujju, Mukono Municipality and these were included in the study as the target population.

3.4 Sampling procedure and sample size

According to (Creswell, 2012), a sample is a subgroup which is representative of the target population from whom findings can be generalized about the population. Therefore, sample size was determined by the sample calculation formula by Slovin's (1960) formula as follows;

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

“n” is sample size, “N” is population, “e” is error (0.05) or level of confidence 95%

“N” (population) = 50 registered small businesses operating in Bugujju

$$n = \frac{50}{1 + 50(0.05)^2}$$

$$n = \frac{50}{1 + 50(0.0025)}$$

$$n = \frac{50}{1 + 0.125}$$

$$n = \frac{50}{1.125}$$

n = 44 selected small businesses operating in Bugujju.

Therefore, the sample size was 44 registered small businesses operating in Bugujju, Mukono Municipality. Important to note is that the unit of inquiry was the owners or managers of these selected small businesses (unit of analysis)

3.5 Sampling method

The researcher used simple random sampling to select the participants for the study. This method was applied by obtaining a list of the registered small businesses in Bugujju, Mukono Municipality from Mukono Municipal Council records. A random selection process was then used to choose a representative sample of these small businesses, where each business, represented by either the owner or the manager, has an equal chance of being selected. Simple random sampling changed into appropriate in this situation because it ensures unbiased choice, giving all registered small companies in Bugujju, Mukono Municipality an same opportunity to take part inside the observe, which complements the generalizability of the findings.

3.6 Sources of data

Primary source: Primary sources are important in all disciplines since they have accurate information regarding the outcome of an experiment or observation. Through the use of primary data, the researcher managed to get information for the purposes of his/her own research. The researcher got this data through the use of questionnaires.

Secondary source: This means data that has undergone processing, collection, and perhaps analysis by a person other than the researcher. Essays and scholarly articles are the most popular sources of secondary information in historical assignment work. Data for this study was collected from already published works such as journals, publications, e-books, and other published materials. Documented sources are classified for easy collection and interpretation of data (Mubazi 2008).

3.7 Data collection method

The data in this research were collected using surveys. The following methods of data collection provided information on budgetary control measures and the financial performance of small firms.

3.7.1 Survey

According to Amin (2005), a survey is a form of self-report research used to collect information about particular variables. To collect information in relation to budgetary controls and financial performance of small firms operating within Bugujju, Mukono Municipality, a questionnaire

survey was used among the owners/managers selected as the target population. Structured questions within the questionnaire were aimed at getting responses related to objectives of the research. It became possible for the researchers to establish trends, patterns, and correlation between budgetary controls and financial performance of small firms in Bugujju using survey research since the technique is an efficient data collection method.

3.8 Data collection instrument

Information was gathered for the study using a structured questionnaire.

3.8.1 Questionnaires

Closed-ended questions and a list of possible answers were included in the questionnaires. Respondents were requested to select the response that best expresses their thoughts on the circumstance and the subject under inquiry (Mugenda & Mugenda, 2005). Responses were limited to the items on the questionnaire, which were uniform and inflexible. This assists to enlist validity and control of the extraneous factors (Sarantakos, 2005). A structured questionnaire with sections depending on study parameters was created in order to collect data on the subject. It was presented to the responders. It employed a five-point Likert scale with response possibilities such as (5) strongly agree, (4) agree, (3) not sure, (2) disagree, and (1) strongly disagree. The Likert format was selected because it provides respondents with a variety of options and makes it easier to tabulate the gathered data for comparison. The questionnaire was used to collect data from the 44 managers or owners of the chosen small enterprises in Bugujju, Mukono Municipality, with their consent.

3.9 Data collection procedure

After the research proposal was approved, the researcher received an introduction letter from Uganda Christian University's School of Business. This letter was delivered to the owners of the selected medium enterprises in Bugujju, Mukono Municipality, to formally request permission to conduct the study. After receiving approval, the researcher distributed structured questionnaires to these owners or managers of the selected small businesses. Records collection started only after acquiring informed consent from all members, ensuring confidentiality, moral compliance, and voluntary participation all through the manner.

3.10 Validity and reliability of the research instruments

3.10.1 Validity

Validity was carried out to ascertain whether the queries secure the needed data. Researchers looked at the questions to see if they could elicit the desired response. A Content Validity Index (CVI) was computed to determine the research tool's validity. The following formula was used by the researcher to demonstrate the reliability of the research instruments.

Content validity Index (CVI) = Relevant items by all judges as suitable

Total number of items judged.

The CVI was 0.83 which exceeded the recommended threshold of 0.70 (Duckett, 2021), hence suggesting that the questionnaire was effective for data collection.

3.10.2 Reliability

According to Mugenda & Mugenda (2003), reliability is a measure of how consistently a research tool yields data or results after multiple trials. Cronbach's coefficient alpha was employed to assess the reliability of the questionnaire. The reliability results were computed using the Statistical Package for the Social Sciences (SPSS) after five respondents took part in a pilot research.

3.11 Data Analysis

3.11.1 Analysis of quantitative data

This changed into accomplished by classifying respondents into classes called codes. The statistics processing section concerned organizing and refining questionnaires, coding responses, after which tabulating and studying the records the usage of Statistical package for Social Sciences (SPSS) version 20 (Jopling, 2019). Due to its sizable range of equipment, from primary tabulation to sophisticated multivariate analysis, SPSS has become a famous tool for comparing quantitative records in each educational and business contexts. The software's performance in deciphering complex statistics and saving time in assessment became every different reason for its choice via the researcher (Ali, 2020).

Data editing have become critical all through this procedure to come across and accurate errors and omissions in the amassed uncooked data. This scrutiny of completed questionnaires ensures accuracy, consistency with extraordinary gathered statistics, uniform information access, and right agency to facilitate coding and tabulation (Pentang & Pentang, 2021).

Coding concerned assigning numeric values or symbols to responses and categorizing them into excellent instructions or categories. The researcher ensured thoroughness and exclusivity, ensuring every response suits into handiest one class inside a fixed. Coding becomes vital for efficient analysis, condensing numerous responses into some classes that include vital facts for evaluation (Skinner, 2020).

3.12 Ethical Considerations

Ethics embody the hints that differentiate among proper and wrong behavior. They play a critical role in delineating suited from unacceptable behaviors (Pietilä et al., 2020). Adherence to moral standards safeguards towards records fabrication or falsification, as a result selling the pursuit of understanding and truth, that's essential in research (Chervenak & McCullough, 2021). the subsequent moral issues had been upheld;

To uphold privateness, the researcher ensured that each one private facts amassed from members became saved securely and most effective used for the purposes outlined within the studies. No unauthorized people had get right of entry to obtain the records, and all information became dealt with strict adherence to privateness laws and rules to save you misuse.

Regarding informed consent, the researcher supplied all individuals with clean, different facts about the motive of the examine, what participation includes, and any potential risks worried. Contributors had been requested to sign a consent shape, confirming that they completely understood the have a study and agreed to take part voluntarily.

Anonymity was observed by ensuring that individual identities were not contained within the research records at all. The identification information became irrelevant, and any such identification procedures were made in such a manner that nobody who read the final report could trace or identify individuals in question.

In order to uphold confidentiality, the researcher made sure that all the confidential records collected during the study remained accessible only to the research organization and that they were stored safely. Individuals' responses were not revealed to anyone or three other activities, and the information was used solely for research purposes.

In order to prevent plagiarism, the researcher made sure that all the sources of information, ideas, and data provided by others were properly referenced through citations and references. All direct quotes were clearly mentioned as quotes and cited in relation to their sources.

Lastly, throughout the research process, the researcher ensured that an ethical approach was adhered to according to institutional guidelines.

3.13 Limitations and delimitations of the study

Some respondents were reluctant to provide information because they did not know how it would be utilized. The university's exceptional reputation as a learning institution in the study area and the acquisition of an introductory letter from the institution helped to settle this.

Additionally, the researcher was constrained by the amount of money required to support the study, which included paying for printing, persuading respondents, and driving to the institution to gather data. Nonetheless, the researcher used self-initiatives and strategies to arrange financial support from well-wishers, including relatives.

Lastly, not all questions were answered due to responder conditions including travel, illness, hospitalization, or refusal or withdrawal to participate. In order to address this, more surveys than planned were sent out.

CHAPTER FOUR

DATA PRESENTATION AND INTERPRETATION OF RESULTS

4.0 Introduction

In order to examine the specific objectives of the investigation and the topic of the reviewed literature, this chapter presents and examines the results of evaluation that has been carried out. A total of forty-four SME owners in Bugujju village, Mukono Municipality, were asked to complete surveys. Tables are used in the presentation of the results to aid in clarity and comprehension.

4.1 Response rate

Table 1: Response rate

Response Rate	Frequency	Percentage
Response	44	100%

Non Response	00	00%
Total	44	100%

Source: *Primary data*

As can be seen from Table 1 above, out of the 44 SME owners from Bugujju village of Mukono Municipality, 44 (100%) were anticipated to participate in the study. Each respondent gave his/her answer. Hence, there was 100% response rate. The main reason for this high response rate is due to the fact that the researcher had ample time to collect data herself. In addition, the low number of respondents was another contributing factor. According to Ahuja (2009), "a response rate of 50% is adequate, 60% is good, and 70% is great."

4.2 Findings on demographic characteristics of respondents

As demonstrated by the desk below, this section provides general history statistics about the respondents' gender, age, education level, type of business, and length of employment;

4.2.1 Gender of the respondents

The gender of the respondents who own SMEs in Bugujju is summarized in the table below, and the information in the table was explained below.

Table 2: Gender

	Frequency	Percent	Cumulative Percent
Male	25	56.8	56.8
Female	19	43.2	100.0
Total	44	100.0	

Source: *Primary data*

The results in Table 2 above show that the majority of respondents 56.8% of the total are men, while women make up the minority 43.2% of the total. As a result, there were more adult males than females participating in the study. However, the purpose of including both men and women in the poll was to obtain different perspectives from the participants regarding the subject under research.

4.2.2 Age of the respondents

The gender of the respondents who are SME owners in Bugujju is summarized in the table below, and the information in the table is explained below.

Table 3: Age

	Frequency	Percent	Cumulative Percent
21-30 years	13	29.5	29.5
31-40 years	18	40.9	70.4
41-50 years	9	20.5	90.9
Above 50 years	4	9.1	100.0
Total	44	100.0	

Source: *Primary data*

The results in Table 3 above show that the vast majority of respondents were between the ages of 31 and 40 (represented by 40.9%), followed by those between the ages of 21 and 30 (represented by 29.5%), those between the ages of 41 and 50 (represented by 20.5%), and nine. Just 1% of those surveyed were older than 50. This indicates that there hasn't been any age discrimination because statistics are derived from people who are exceptionally old.

4.2.3 Education level of the respondents

The education level of the respondents who are Bugujju SME owners is summarized in the table below, and the information in the table was explained below.

Table 4: Level of education

	Frequency	Percent	Cumulative Percent
Primary	8	18.2	18.2
Secondary	14	31.8	50.0
Tertiary	16	36.4	86.4
Others	6	13.6	100.0
Total	44	100.0	

Source: *Primary data*

The results in Table 4 above showed that 36.4% of respondents had at least a tertiary degree, followed by 31.8% who had at least a secondary education, followed by 18.2% who had at least a primary education, and 13.6% who had no educational background. Thus, it can be said that the majority of respondents were able to easily review and understand the questionnaire.

4.2.4 Category of business respondents operate in

The business category that the respondents who are SME owners in Bugujju operate in is summarized in the table below, and the information in the table was interpreted below.

Table 5: Category of business

	Frequency	Percent	Cumulative Percent
Segmented business	20	45.5	45.5
Assorted merchandise	24	54.5	100.0
Total	44	100.0	

Source: *Primary data*

The majority of respondents, represented by 54.5% in table 5 above, operate segmented businesses such as saloons, printing bureaus, boutiques, and restoration maintenance organizations, while 45.5% operate businesses that fall under the category of diverse merchandise, such as retail and wholesale stores.

4.2.5 Period spent operating the business

The duration that Bugujju-based SME owners have been running their firms is summarized in the table below, and the information in the table was explained below.

Table 6: Period spent operating the business

	Frequency	Percent	Cumulative Percent
1-5 years	14	31.8	31.8
6-10 years	21	47.7	79.5
Above 10 years	9	20.5	100.0
Total	44	100.0	

Source: *Primary data*

Table 6 above reveals that 47.7% of respondents have been in business for 6–10 years, followed by 31.8% who have been in business for 1–5 years, and 20.5% of respondents who have been in business for more than 10 years. Given that the majority of the respondents have operated various businesses in Bugujju, Mukono district, for a considerable amount of time, the results indicate that the respondents possess pertinent information about the topic under investigation.

4.3 Budget planning and financial performance of small businesses in Bugujju

Table 7 uses a Likert scale with SA (Strongly Agree), A (Agree), NS (Not Sure), D (Disagree), and SD (Strongly Disagree) to summarize respondents' answers regarding the relationship between budget planning and financial performance of small enterprises in Bugujju.

Table 7: Budget planning and financial performance of small businesses in Bugujju

Statements	Extent of agreement and disagreement				
	SA	A	NS	D	SDA
	F (%)	F (%)	F (%)	F (%)	F (%)
Our business prepares a written budget before the start of each financial period.	19 43.2%	13 29.5%	8 18.2%	2 4.5%	2 4.5%
Expected revenues and expenditures are clearly estimated during the budgeting process.	10 22.7%	20 45.5%	7 15.9%	4 9.1%	3 6.8%
Budget planning in this business is aligned with our business goals and priorities.	10 22.7%	24 54.5%	8 18.2%	2 4.5%	00

Owners and managers are actively involved in setting budget targets.	13 29.5%	23 52.3%	3 6.8%	5 11.4%	00
Past financial performance is considered when preparing new budgets.	15 34.1%	12 27.3%	13 29.5%	1 2.3%	3 6.8%
Budget plans guide major financial decisions in this business.	18 40.9%	23 52.3%	3 6.8%	00	00

Source: *Primary data*

Table 7 represents the descriptive statistics on the relationship between budget planning and financial performance of small businesses in Bugujju. The findings discovered that 72.7% of the respondents agreed that their corporations put together written finances earlier than the start of economic duration, even as 9.0% disagreed and 18.2% have been no longer positive. This indicates that a majority of small organizations in Bugujju practice formal finances preparation, suggesting that budgeting is diagnosed as a vital monetary planning tool. The meaning is that writing budgets supplements money subject and serves as the foundation of high monetary common performance, even with the highest percentage of unsure respondents implying some organizations still operate informally without budgeting.

The result further indicates that sixty-eight-point-two percent of respondents agree on expecting incomes and expenditures during the budgeting process, while fifteen-nine percent of respondents disagree and fifteen-nine percent of respondents were not sure. This shows that most small businesses try and forecast their profits and costs for the duration of price range instruction, which helps powerful monetary planning. The implication is that easy estimation of sales and expenses improves the potential of groups to allocate assets efficaciously and control monetary risks, thereby positively influencing economic universal performance.

Moreover, the findings indicated that seventy seven.2% of the respondents agreed that finances planning in their businesses is aligned with commercial enterprise desires and priorities, even as 4.5% disagreed and 18.2% were now not sure. The implication is that aligning budgets with enterprise desires complements strategic choice-making and ensures that financial property are directed within the direction of sports activities that enhance profitability and sustainability.

More so, the look at findings hooked up that eighty one.eight% of the respondents agreed that proprietors and executives are actively concerned in placing budget desires, at the same time as 11.4% disagreed and 6.8% had been no longer sure. This indicates an immoderate degree of managerial involvement in the budgeting approach. The implication is that active participation with the aid of proprietors and bosses promotes responsibility and possession of monetary picks, which strengthens price range effectiveness and improves monetary overall performance.

Similarly, the findings illustrated that 61.4% of the respondents agreed that beyond monetary general overall performance is considered while making geared up new budgets, at the same time as nine.1% disagreed and 29.5% had been no longer certain. This shows that notwithstanding the reality that a majority of agencies use historic monetary information in budgeting, a big proportion remains unsure. The implication is that failure to constantly use beyond ordinary performance records may additionally restrict the accuracy of budgets and weaken economic forecasting, doubtlessly affecting lengthy-term economic average overall performance.

Ultimately, the consequences found that 93.2% of the respondents agreed that fee range plans guide primary monetary alternatives in their groups, at the same time as 6.8% were no longer positive and none disagreed. This highlights the important feature of budgets in guiding monetary preference-making among small companies in Bugujju. The implication is that robust reliance on charge variety plans complements monetary manipulate, minimizes unplanned costs, and helps superior monetary results.

Regular, the findings display that fee variety making plans is broadly practiced and strongly linked to financial basic overall performance amongst small corporations in Bugujju. The immoderate ranges of agreement during maximum statements mean that powerful fee range making plans enhances economic area, strategic alignment, and informed choice-making, all of which might be essential for reinforcing profitability, liquidity, and sustainability of small businesses. The findings of the study regarding the relationship amongst price range making plans and financial overall performance of small agencies in Bugujju were further determined using Pearson's correlation that have become achieved as proven beneath;

Table 8: Pearson's correlation on budget planning and financial performance

Correlations

		Budget planning	Financial performance
Budget planning	Pearson Correlation	1	.663**
	Sig. (2-tailed)		.000
	N	44	44
Financial performance	Pearson Correlation	.663**	1
	Sig. (2-tailed)	.000	
	N	44	44

** . Correlation is significant at the 0.05 level (2-tailed).

Source: *Primary data*

As seen in the table above, it can be said that there is a substantial relationship between financial planning and financial performance in small firms in Bugujju. This relationship is proven by means of r values of 0.663** with large p values of 0.000 at the significance level of 0.05 (2-tailed) ($r = .663^{**}$, $p < .05$). This suggests that adequate financial planning positively contributes to the financial performance of small firms in Bugujju.

4.4 Budget implementation and financial performance of small businesses in Bugujju

Table 9 presents the views of the respondents on the connection between budgeting and the financial performance of small businesses in Bugujju using the Likert scale of SA (Strongly Agree), A (Agree), NS (Not Sure), D (Disagree), and SD (Strongly Disagree).

Table 9: Budget implementation and financial performance of small businesses

Statements	Extent of agreement and disagreement				
	SA	A	NS	D	SDA
	F (%)	F (%)	F (%)	F (%)	F (%)
Actual expenditures in this business closely follow the approved budget.	15 34.1%	25 56.8%	1 2.3%	3 6.8%	00
Spending approvals are required before funds are released.	19 43.2%	14 31.8%	10 22.7%	1 2.3%	00

Budgeted funds are used strictly for their intended purposes.	18 40.9%	21 47.7%	2 4.5%	3 6.8%	00
Cash flows are monitored regularly to ensure budget compliance.	21 47.7%	18 40.9%	3 6.8%	2 4.5%	00
Employees responsible for spending understand their budget limits.	13 29.5%	16 36.4%	10 22.7%	3 6.8%	2 4.5%
Deviations from the budget are addressed promptly during implementation.	14 31.8%	22 50.0%	2 4.5%	6 13.6%	00

Source: *Primary data*

Table 9 represents the descriptive statistics on the relationship between budget implementation and financial performance of small businesses in Bugujju. The findings found out that 90.9% of the respondents agreed that actual expenses of their agencies carefully follow the approved finances, while 6.8% disagreed and 2.3% were not sure. This shows that maximum small businesses in Bugujju adhere to their accredited budgets at some point of execution. The implication is that near alignment among actual spending and deliberate budgets enhances economic manage and reduces the risk of overspending, thereby contributing undoubtedly to financial overall performance.

The outcomes additionally confirmed that seventy five.zero% of the respondents agreed that spending approvals are required earlier than budgeting is launched, at the same time as 2.3% disagreed and 22.7% have been not certain. This information that formal approval mechanisms are in huge part practiced in finances implementation. It means that the requirement for approval in expenditure ensures accountability and prevents any form of fraud, thus promoting efficient economic manipulation and better commercial business organization.

Also, the results showed that 88.6% of the participants felt that budgeted budgets were only used for what they were meant to be used for, while 6.8% were against the idea, and 4.5% did not have a clear position. This shows a high level of budget planning among small businesses in Bugujju. The implication is that strict adherence to price range functions ensures green use of assets and enhances operational effectiveness, most important to higher monetary effects.

Moreover, the have a look at findings mounted that 88.6% of the respondents agreed that money flows are monitored frequently to ensure fee variety compliance, at the same time as four.5% disagreed and 6.8% were now not positive. This understandings that most companies actively tune their coins flows all through budget implementation. What it means is that through the ordinary floating cash, well-timed detection of the problems relating to finance becomes possible, and consequently makes decision making an informed process.

Similarly, the findings illustrated that 65.9% of the respondents agreed that personnel accountable for spending apprehend their price range limits, at the same time as 11.3% disagreed and 22.7% had been no longer positive. This information that notwithstanding the fact that a majority of personnel are privy to their spending limitations, an exquisite proportion both lack clarity and are unsure. The implication is that insufficient finances limits might also lead to inefficiencies and fee overruns, highlighting the want for improved conversation and schooling during fee range implementation.

Eventually, the consequences found out that eighty one.eight% of the respondents agreed that deviations from the price range are addressed right away during implementation, on the equal time as 13.6% disagreed and 4.5% were no longer sure. This understanding that most groups take corrective movement whilst budget variances get up. The implication is that timely handling of finances deviations complements financial responsiveness and stops minor variances from escalating into most vital financial problems, hence helping sustainable financial performance.

Common, the findings information that effective price range implementation practices are broadly adopted among small agencies in Bugujju and are strongly associated with progressed economic overall performance. High degrees of agreement across maximum statements indicate that adherence to legal budgets, controlled spending, ordinary tracking, and spark off corrective moves make contributions considerably to economic field, inexperienced useful resource usage, and average industrial employer sustainability. The findings of the study concerning the relationship between budget implementation and financial performance of small businesses in Bugujju were further determined using Pearson's correlation that was conducted as shown below;

Table 10: Pearson's correlation on budget implementation and financial performance

Correlations

		Budget implementation	Financial performance
Budget implementation	Pearson Correlation	1	.587**
	Sig. (2-tailed)		.000
	N	44	44
Financial performance	Pearson Correlation	.587**	1
	Sig. (2-tailed)	.000	
	N	44	44

** . Correlation is significant at the 0.05 level (2-tailed).

Source: *Primary data*

The findings indicated in table above shows that there is a significant positive relationship between budget implementation and financial performance of small businesses in Bugujju. This relationship is affirmed by r-values of 0.587** with significant p-values of 0.000 at the level of 0.05 (2-tailed) ($r = .587^{**}$, $p < .05$). This implies that effective budget implementation plays a critical role in improving the financial performance of small businesses in Bugujju by ensuring proper utilization of resources and adherence to planned financial activities.

4.5 Budget review and financial performance of small businesses in Bugujju

Using a Likert scale with SA (Strongly Agree), A (Agree), NS (Not Sure), D (Disagree), and SD (Strongly Disagree), Table 11 summarizes respondents' answers about the relationship between budget review and financial performance of small enterprises in Bugujju.

Table 11: Budget review and financial performance of small businesses in Bugujju

Statements	Extent of agreement and disagreement				
	SA	A	NS	D	SDA
	F (%)	F (%)	F (%)	F (%)	F (%)
Budget performance is reviewed periodically in this business.	13 29.5%	19 43.2%	8 18.2%	2 4.5%	2 4.5%
Differences between budgeted and actual figures are analyzed regularly.	20 45.5%	10 22.7%	7 15.9%	4 9.1%	3 6.8%

Budget reviews help identify areas of cost overruns or savings.	24 54.5%	10 22.7%	8 18.2%	2 4.5%	00
Corrective actions are taken after identifying budget variances.	23 52.3%	13 29.5%	3 6.8%	5 11.4%	00
Budget review results influence future budgeting decisions.	12 27.3%	15 34.1%	13 29.5%	1 2.3%	3 6.8%
Management uses budget review reports to improve financial control.	23 52.3%	18 40.9%	3 6.8%	00	00

Source: *Primary data*

Table eleven depicts the descriptive statistics on the connection between rate variety overview and monetary overall performance of small companies in Bugujju. It became located that seventy two.7% of the respondents have been in settlement that rate variety typical overall performance become reviewed regularly inside their organizations, while 9.Zero% disagreed and 18.Four% had been no longer sure. It indicates that maximum small firms in Bugujju engage in regular assessment of charge variety ordinary performance, even even as a good sized proportion remains doubtful. Regular charge variety assessment beautifies economic interest and management by making it easier for organizations to assess overall performance and make appropriate adjustments, which improves economic efficiency.

Also, the outcomes observed that 68.Four% of the respondents have been in agreement that variance amongst budgeted and actual figures become assessed regularly, whereas 15.nine% disagreed and 15.nine% have been not sure. It implies that maximum businesses engage in regular variance analysis as a part of their budget overview process, although a few businesses don't take part in variance analysis or lack a conclusive perception approximately it. Regular analysis of variance becomes critical in recognizing problems earlier, hence improving decision-making and general economic overall performance of businesses.

In addition to the above, the results revealed that seventy seven.2% of the participants responded positively on the perception that cost range analyses help determine cost overrun and saving opportunities, while 4.5% were negative and 18.2% were unsure. This implies that cost range analyses are widely perceived as an important instrument of cost management in small organizations. It is also worth noting that the determination of cost overruns and savings through

cost range analysis aids effective resource allocation and cost management that directly influences financial profitability and sustainability.

Even further, the study showed that eighty one.8% of the participants were positive on the statement that corrective actions were made after budget variances have been determined, while 11.4% of them were negative and 6.8% were unsure. This indicates that most organizations respond positively to budgeting variances identified through budget range analysis. Implication here is that such actions enhance economic space and prevent continued economic inefficiencies.

Moreover, the results showed that 61.4% of the respondents felt that budget assessment effects influence destiny budgeting decisions, while 9.1% disagreed and 29.5% were unsure. This implies that while most use budget overview effects to prepare budget plans, there is a huge number of respondents who are still unsure. This implies that if these budget assessment results are not incorporated in future budget plans, then continuous improvement of financial planning will not be realized.

Lastly, it was seen that 93.2% of the respondents felt that management uses budget evaluation reports for monetary control, whereas only 6.8% were unsure. This implied high utilization of budget assessment reports for managing money. The implication here was that proper incorporation of such budget assessment reports leads to proper monitoring and management of finances in small organizations.

On the whole, the results show that there exists an important role played by budget reviews in enhancing the financial performance of small enterprises in Bugujju. From this finding, strong budget review is a key element in effective financial management and plays an important role in the sustainability and effectiveness of small organizations within the study area. Further determination of the results of the study on the association between budget review and financial performance of small firms in Bugujju was carried out using Pearson’s correlation, as follows;

Table 12: Pearson’s correlation on budget review and financial performance

Correlations

		Budget review	Financial performance
Budget review	Pearson Correlation	1	.645**

	Sig. (2-tailed)		.000
	N	44	44
Financial performance	Pearson Correlation	.645**	1
	Sig. (2-tailed)	.000	
	N	44	44

** . Correlation is significant at the 0.05 level (2-tailed).

Source: *Primary data*

The findings indicated in table above shows that there is a significant positive relationship between budget review and financial performance of small businesses in Bugujju. This relationship is affirmed by r-values of 0.645** with significant p-values of 0.000 at the level of 0.05 (2-tailed) ($r = .645^{**}, p < .05$). This implies that regular and powerful finances assessment extensively complements the financial performance of small companies in Bugujju via allowing well timed identification of variances and informed corrective choice-making.

CHAPTER FIVE

SUMMARY, DISCUSSION, CONCLUSION AND RECOMMENDATIONS

5.0 Introduction

The results with relation to the literature are discussed in this chapter. Additionally, it draws conclusions, makes recommendations, summarizes all of the data presented in chapter four, and suggests a few areas for further research.

5.1 Summary of findings

The findings revealed that budget planning making plans is extensively practiced amongst small corporations in Bugujju and plays an important function in enhancing economic performance, as evidenced by way of high stages of settlement on the education of written budgets, alignment of budgets with commercial enterprise dreams, managerial involvement in price range setting, and the usage of budgets to guide most important financial decisions. Most respondents also mentioned the significance of estimating sales and expenditures and thinking about beyond monetary overall performance in the course of budgeting, although a significant percentage remained unsure, suggesting a few gaps within the consistency and intensity of price range planning practices. general, the descriptive outcomes show that effective finances making plans strengthens financial

discipline, helps strategic decision-making, and improves resource allocation, that's similarly confirmed with the aid of the Pearson's correlation outcomes showing a robust, terrific, and statistically remarkable dating between price range planning and economic basic overall performance ($r = 0.663, p < 0.05$), implying that advanced charge range making plans practices appreciably make contributions to better economic results for small organizations in Bugujju.

similarly, the findings observed out that budget implementation is strongly practiced amongst small groups in Bugujju and is closely linked to stepped forward financial performance, as maximum respondents agreed that actual charges closely look at approved budgets, spending approvals are required earlier than fund launch, budgeted price variety are used for supposed functions, and cash flows are regularly monitored. Despite the fact that among the respondents indicated that everyone employees completely understand their fee variety limits, the general public nonetheless stated activate corrective movement while budget deviations get up, reflecting a typically excessive degree of budgetary discipline. conventional, these descriptive results show that effective price range implementation enhances monetary manage, duty, green aid utilization, and well-timed preference-making, a dating that is similarly supported by using the Pearson's correlation assessment which shows a moderate, exquisite, and statistically enormous affiliation among price range implementation and economic basic performance ($r = 0.587, p < 0.05$), implying that strengthening budget execution practices contributes meaningfully to better economic results for small businesses in Bugujju.

Lastly, the findings revealed that budget review is broadly practiced amongst small corporations in Bugujju and performs a vital role in enhancing economic overall performance, as a majority of respondents agreed that budgets are reviewed periodically, variances between budgeted and real figures are analyzed, price overruns or savings are identified, and corrective actions are taken promptly. although a superb share of respondents have been uncertain whether price range overview results consistently influence future budgeting selections, most mentioned that control relies on price range evaluation reports to bolster economic manage. Ordinary, the descriptive effects show that effective budget overview improves financial recognition, accountability, cost management, and knowledgeable choice-making, a relationship that is further reinforced via the Pearson's correlation evaluation which indicates a sturdy, tremendous, and statistically extensive association among budget evaluate and monetary overall performance ($r = 0.645, p < 0.05$),

implying that every day and properly-carried out budget critiques notably make a contribution to the sustainability and stepped forward monetary results of small agencies in Bugujju.

5.2 Discussion of findings

5.2.1 Budget planning and financial performance of small businesses in Bugujju

The study findings found out that price range planning is extensively practiced among small agencies in Bugujju, with most respondents indicating the guidance of written budgets, alignment of budgets with enterprise desires, managerial involvement in price range placing, and the usage of budgets to guide major financial selections. The findings relate with the literature through Schubert and Kirsten (2021) who discovered that established budgeting and strategic alignment considerably enhance monetary performance in SMEs via improving monetary area in addition to resource allocation. In the same way, Ali et al. (2023) contended that high managerial participation in financial planning ensures accountability and improved decision-making, hence ensuring improved organizational performance. This implies that formal financial planning is still a key determinant of economic efficiency in SMEs, reaffirming the significance of budgeting techniques as a tool for financial control.

Estimating costs and sales, as well as accounting for beyond the usual measure of financial performance, was identified as significantly practiced, though uncertainty about the same existed, indicating inconsistencies in the level of budgeting practices. The results are consistent with the arguments by Matsoso et al. (2021) that forecasting and past performance analysis improve the credibility of budgets and financial prediction within growing economies. Contrary to these results, Nair et al. (2020) argued that in certain cases, estimates may not reflect the actual reality of operations and result in discrepancies between planned and actual financial outcomes. This indicates that although majority of small businesses in Bugujju have adopted budgeting practices through forecasting, there is still more that can be done to attain good financial average performance.

Conclusively, the findings suggest that robust fee planning enhances financial region, strategic decision-making, and resource allocation, which might play a significant role in improving the financial performance standard of the company. This has also been corroborated by the Pearson's correlation findings, which revealed an extremely strong, highly significant and statistically

positive association among budget planning and financial performance overall standard ($r = 0.663$, $p < 0.05$). The research findings have corroborated the results obtained by Fasesin et al. (2023) who indicated that proper budgeting plays an important role in increasing the profitability and sustainability of SMEs, and also the findings have been substantiated by Ebhota et al. (2024), who pointed out the role of budgeting in enhancing financial performance through sound planning. However, the findings obtained from this research study do not entirely confirm the findings made by Mohamed (2022), who indicated that budgeting plans had little impact on the performance of some manufacturing firms owing to ineffective implementation of the plans.

5.2.2 Budget implementation and financial performance of small businesses in Bugujju

The examine findings found that budget implementation is strongly practiced amongst small companies in Bugujju, with maximum respondents indicating that actual charges intently observe legal budgets and spending approvals are required in advance than fund release. The findings relate with the literature by Mbogo et al. (2021), who located that disciplined finances execution guarantees adherence to financial plans and reduces the risk of overspending, thereby enhancing the economic performance of SMEs in Nairobi County, Kenya. Further, Habineza and Cortez (2023) discovered that strict implementation of budget controls improves duty and operational performance in state-owned firms, suggesting that methodical adherence to budgetary strategies helps improved financial outcomes. These research verify that powerful price range implementation reinforces financial control mechanisms and supports prudent useful resource utilization in small companies.

The findings also discovered that budgeted finances are largely used for his or her meant purposes and coins flows are frequently monitored, even though some personnel do no longer completely understand their budget limits. This relates with Otai and Birungi (2025), who highlighted that regular tracking of financial flows and enforcement of budgetary limits complements economic oversight and overall performance in SMEs, expertise inadequate worker understanding of finances constraints can result in inefficiencies. In contrast, Makoba (2023) identified that in certain organizations, while there were mechanisms for monitoring, low levels of awareness

regarding price range proposals amongst the staff made it difficult to implement fee variety, which partly contradicts the results of this study. This information that even as the general adherence to budgets is powerful in Bugujju, focused capacity constructing and education can also similarly enhance implementation effects.

finally, the findings display that set off corrective motion whilst charge variety deviations occur and adherence to finances features extensively decorate financial performance, a dating supported with the resource of the mild, superb, and statistically enormous correlation ($r = 0.587, p < 0.05$). The findings relate with Takwa et al. (2024), who found that timely corrective measures all through price range implementation beautify monetary balance and operational efficiency in SMEs, and Okumu (2021), who emphasised that enforcement of budgetary compliance contributes to better monetary reporting and useful resource control. Alternatively, Mpora et al. (2025) argued that external economic distress can on occasion save you the outcomes of price range implementation on universal overall performance, which might also offer an cause of why some small corporations in Bugujju display minor gaps in worker of price range limits.

5.2.3 Budget review and financial performance of small businesses in Bugujju

According to the observation findings, finances evaluation is commonly performed in small organizations within Bugujju, as maximum number of respondents acknowledged the practice of evaluating their budgets on regular basis and performing variance analysis between budgetary numbers and actuals. Such findings are linked to the literature through the use of Michira (2022), according to whom daily cost variance analysis and variance analysis in savings and credit cooperative organizations in Kenya improved economic control and performance, providing means for timely corrections. Furthermore, Chidinma (2022) identified that regular evaluation of financial strategies in organizations provided control and management possibilities, enabling better decision making and financial control. These results corroborate the findings, indicating that regular finances evaluation processes are critical for encouraging financial discipline within small groups.

Furthermore, it was also established that charge range reviews help in identifying where there is overspending or cost-saving opportunities, and actions are taken directly although some of the respondents were unsure whether review outcomes always influence future budgeting decisions.

This supports Michira (2022) and Musana (2022), who posited that while fee range reviews could contribute to financial control, the lack of systematic incorporation of research findings in future planning might limit their overall usefulness. On the other hand, Okumu (2021) discovered that in some Kenyan parastatal corporations, although there was a strong evaluation system, management often ignored the use of evaluation outcomes for future planning purposes, thus affecting economic performance. This partly contradicts the situation in Bugujju, wherein management largely is predicated on evaluation opinions, highlighting relative electricity in neighborhood SMEs' budgetary practices.

Lastly, the findings demonstrate that control reliance on budget evaluation reviews strengthens economic manage and enhances informed selection-making, that's further bolstered by using the sturdy advantageous correlation among finances overview and economic overall performance ($r = 0.645$, $p < 0.05$). The findings relate with Takwa et al. (2024), who observed that powerful use of budgetary overview consequences appreciably improves operational performance and profitability in SMEs in Douala. Additionally, Michira (2022) emphasised that spark off corrective actions following variance analysis reduce economic inefficiencies, a dating evident in the Bugujju SMEs. alternatively, a few studies, together with by means of Mohamed (2022), suggest that in contexts with weaker institutional support, finances evaluations might not translate into higher economic overall performance, suggesting that local management dedication in Bugujju plays a key position in ensuring that price range evaluations undoubtedly influence SME sustainability and consequences.

5.3 Conclusion

The study concludes that budget planning is a crucial motive force of financial performance among small groups in Bugujju, as the training of written budgets, alignment with commercial enterprise desires, managerial involvement, and use of budgets to manual monetary decisions complements economic discipline and strategic resource allocation. The robust correlation among rate range making plans and economic efficiency ($r = 0.663$, $p < 0.05$) proves that consistent and properly-established fee range making plans makes a massive contribution to better financial results, emphasizing the importance of systematic budgeting approaches in improving the financial success and sustainability of SMEs.

In addition, the research suggests that effective fee range implementation has a significant effect on economic average performance because it ensures that real expenses conform to authorized budgets, approval for costs is observed, resources are applied for the purposes they were meant, and money flows are actively controlled. The strong correlation between fee range implementation and economic average efficiency ($r = 0.587$, $p < 0.05$) indicates that compliance with fee range implementation processes, along with timely correction movements, strengthens duty, complements operational performance, and enables knowledgeable decision-making, thereby contributing to advanced commercial enterprise effects.

As time passes, it can be concluded from the examination conducted that routine and systematic yet thorough review has an important role to play in maintaining economic efficiency among small groups in Bugujju, as reviews are helpful in providing information on variation in costs, identification of cost overruns and saving, and other remedial measures. The presence of strong correlation between variation in cost review and economic efficiency ($r = 0.645$, $p < 0.05$) indicates that efficient utilization of information obtained through review can help improve accountability, cost management, and economic efficiency, which are key to sustaining business success in Bugujju.

5.4 Recommendations

From the total outcomes of the examine carried out, the next advice has been recognized to be very important with regards to the relationship between budget management and monetary performance of small businesses in Bugujju, Mukono, Uganda.

It's miles recommended from the examine that there should be a necessity for the proprietors of small companies in Bugujju to institutionalize budgeting strategies and tactics together with making plans the budget, budgeting based on company needs, and relating budget to managers in goal setting.

The examine suggests the necessity for the proprietors of small companies to reinforce fee control practices with the aid of guaranteeing that expenses stick to the budgeted amounts strictly, approvals are given ahead of the launch of any fund, and personnel know their budget boundaries properly.

In addition, the study advises on the requirement for small enterprises to conduct routine and systematic price range reviews such as variance analysis and determination of whether cost overrun or savings have taken place in order to be able to take appropriate steps that will help in improving financial control, cost management, and financial performance in the long run.

Also, the study suggests that business owners should take advantage of previous financial performance and budget review results and incorporate them in future budgeting activities in order to make sure there is an improvement in financial performance through better decision-making and forecasting. In conclusion, it is suggested that there be the adoption of monitoring and reporting procedures by small businesses in Bugujju.

5.5 Areas for further research

Moreover, the research proposes that more studies be carried out in order to analyze the effect of various management techniques of money, including accounting and record-keeping systems and internal controls, on the financial performance of small businesses in Bugujju, since such factors could complement the effectiveness of budgetary controls as well.

In the same manner, the research proposes that more studies be undertaken in order to find out the role played by digital budgeting tools and technologies in increasing budgetary control effectiveness and financial performance of small and medium-sized enterprises in Uganda, given the trend towards digitization of enterprise operations.

Finally, the research suggests that further studies be done in order to determine the impact of contextual and environmental factors such as market competition and regulations, on budgetary control effectiveness and financial performance of small firms in various areas of Uganda.

REFERENCES

- Ali, F. A., Hassan, H. B., & Kadir, M. R. A. (2023). The effect of budgetary control on organisational performance in small and medium enterprises (SME) in Somalia. *International Journal of Professional Business Review: Int. J. Prof. Bus. Rev.*, 8(12), 6.
- Chidinma, U. (2022). Performance Measurement in an Organization via Budget and Budgetary Control. *Journal of World Economy*, 1(2), 1-8.
- Ebhota, O. S., Hongxing, Y., & Sampene, A. K. (2024). Investigating the influence of digital transformation, budgeting and budgetary control on the financial performance of SMEs. *Scientific African*, 26, e02429.
- Fasesin, O. O., Ogunrinade, R., Olalekan, O. T., Ayo-Oyebiyi, G. T., & Sajuyigbe, A. S. (2023). Budgetary Control and Financial Performance of Manufacturing SMEs in Osun State, Nigeria. *International Journal of Business Innovation*, e31531-e31531.
- Habineza, E., & Cortez, D. R. O. (2023). The effect of budget control on financial performance among state-owned enterprises: Towards enhancing a budget management control policy. *International Multidisciplinary Research Journal*.
- Makoba, F. (2023). *Impact of Budgetary Control on Financial Performance of Selected Secondary School* (Doctoral dissertation, Institute of Accountancy Arusha (IAA)).

- Matsoso, M. L., Nyathi, M., & Nakpodia, F. A. (2021). An assessment of budgeting and budgetary controls among small and medium-sized enterprises: evidence from a developing economy. *Journal of Accounting in Emerging Economies*, 11(4), 552-577.
- Mbogo, M., Jimmy, M., & Olando, C. (2021). Effect of budgeting practices on financial performance of manufacturing small and medium enterprises in Nairobi County, Kenya. *Journal of language, technology & entrepreneurship in Africa*, 12(1), 84-110.
- Michira, Q. B. (2022). *Effect of Budget Controls on Financial Performance of Savings and Credit Cooperative Organizations in Mombasa Count, Kenya* (Doctoral dissertation, University of Nairobi).
- Mohamed, A. I. (2022). The impact of budgetary control on manufacturing firms financial performance mogadishu-somalia. *NeuroQuantology*, 20(6).
- Mpora, E. B., Katabaazi-Bwengye, A., Atukunda, E., & Dan, N. R. (2025). *The effects of financial distress on financial performance: An empirical analysis of SMEs in Sheema, Buhweju, Rubirizi, and Bushenyi districts*.
- Musana, J. (2022). *The impact of accounting information systems on financial performance of small and medium enterprises* (Doctoral dissertation, Busitema University.).
- Nair, S., Osamah, A. A., & Salwa, A. (2020). The budgetary process and its effects on financial performance: A study of Small and Medium-Sized Enterprises in Yemen. *International Journal of Innovation, Creativity and Change*, 14(4), 816-834.
- Okumu, N. (2021). *The Impact of Budgetary Controls on the Financial Performance of Parastatals in Kenya* (Doctoral dissertation, University of Nairobi).
- Otai, I. P., & Birungi, B. D. E. (2025). Internal Controls and Financial Performance of Small and Medium Enterprises in Mbale City, Uganda. *CECCAR Business Review*, 6(3), 73-82.
- Schubert, H., & Kirsten, S. M. (2021). Effect of budgeting control on the financial performance of SMEs in Germany. *Journal of Finance and Accounting*, 5(2), 1-9.

Takwa, A. C., Teno, M. N., Njuma, O. K. O. N., & Tenu, R. M. (2024). The nexus between the budgetary process and financial performance: Evidence from SMEs in Douala. *Journal of Economics, Management and Trade*, 30(8), 25-40.

APPENDICES

Appendix 1: Questionnaire

For Selected Small Business in Bugujju, Mukono Municipality

Dear respondent,

I'm Nyawech Jokwan, and I attend Uganda Christian University to pursue a BBA. "*Budgetary controls and the financial performance of small businesses in Bugujju, Mukono, Uganda*" is the topic of my research. You have been deliberately chosen to take part in this study, and the data gathered will be kept completely anonymous and used only for academic purposes. Your response will be crucial to the study's success. We will much appreciate your participation.

Section A: Personal Background Information

Tick where applicable

1. What is your gender?

a) Male

b) Female

2. What is your age group?

a) 21-30 years b) 31-40 years

c) 41-50 years d) Above 50 years

3. What is your highest level of education?

a) Primary b) Secondary

c) Tertiary e) Others specify:.....

4. Which kind of business do you operate in Bugujju?

a) Assorted Merchandize

b) Segmented Business

5. How long have you been operating this business?

a) Less than 1 year b) 1-5 years

c) 6-10 years d) Above 10 years

Guide for Completing the Questionnaire:

Note: In the following sections, rate your degree of agreement on each statement under each objective using a scale of 5(Strongly Agree), 4(Agree), 3(Not sure), 2(Disagree) and 1(Strongly Disagree). Please answer questions by making a tick (√) on your preferred answer of choice.

Section B: Budgetary Controls

	Statements	Responses				
s. no	Budget planning	5	4	3	2	1
1	Our business prepares a written budget before the start of each financial period.					

2	Expected revenues and expenditures are clearly estimated during the budgeting process.					
3	Budget planning in this business is aligned with our business goals and priorities.					
4	Owners and managers are actively involved in setting budget targets.					
5	Past financial performance is considered when preparing new budgets.					
6	Budget plans guide major financial decisions in this business.					
s. no	Budget implementation	5	4	3	2	1
1	Actual expenditures in this business closely follow the approved budget.					
2	Spending approvals are required before funds are released.					
3	Budgeted funds are used strictly for their intended purposes.					
4	Cash flows are monitored regularly to ensure budget compliance.					
5	Employees responsible for spending understand their budget limits.					
6	Deviations from the budget are addressed promptly during implementation.					
s. no	Budget review	5	4	3	2	1
1	Budget performance is reviewed periodically in this business.					
2	Differences between budgeted and actual figures are analyzed regularly.					
3	Budget reviews help identify areas of cost overruns or savings.					
4	Corrective actions are taken after identifying budget variances.					
5	Budget review results influence future budgeting decisions.					
6	Management uses budget review reports to improve financial control.					

Section C: Financial Performance of Small Businesses in Bugujju, Mukono

	Statements	Responses				
s. no	Financial performance of small businesses	5	4	3	2	1
1	Our business has experienced consistent growth in profits over recent periods.					
2	The business is able to meet its financial obligations as they fall due.					

3	Sales revenue has improved compared to previous financial periods.					
4	Operating costs are effectively controlled in this business.					
5	The business maintains adequate cash flow to support daily operations.					
6	Overall financial performance of the business has improved in recent years.					

Thank you very much for your cooperation