BOOK KEEPING AND FINANCIAL PERFORMANCE OF SMALL-SCALE ENTERPRISES IN BUGUJJU TRADING CENTRE- MUKONO DISTRICT

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UGANDA CHRISTIAN UNIVERSITY
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DECLARATION

MANDRE ISAAC, declare that this research report has been entirely an original creation that has not been previously produced by a student of any university enrolled in the Bachelor of Business Administration.

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APPROVAL

This research report has been done under my supervision and is now ready for submission with my approval

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ACADEMIC SUPERVISOR

DEDICATION

I dedicate my Research report to my mum Mesiku Elizabeth and in loving memory of my dad Anzo Lawrence, uncle David, Nelson, Luke for instilling me the values of perseverance, humanity and faith; to my family members Innocent, Charles, Jonathan, Grace, Robina, Sumayah, Rose for their constant motivation and belief in my prospects and every family member who stood by me in moments of challenge. Your sacrifices, love and motivation have shaped not only this academic achievement but the person I am becoming. I am forever grateful and this work was a reflection of your enduring impact on my life.

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I couldn’t have done this research without the help of the above individuals and organizations May the good Lord bless them all.

ABSTRACT

The research report recognized the relationship between book keeping and financial performance of small-scale enterprises in Bugujju Trading Centre. To analyze the relationship between book keeping and financial performance and it also comprised of the credential information for the Research report and be composed of the statement of the problem, the study objectives, significance and research questions and relating the variables to come with book keeping as the independent and financial performance being the dependent the literature review and study on book keeping and financial performance of small-scale enterprises, overview of the challenges associated with book keeping and the types of books kept by the small-scale enterprises and analyze and evaluated what different scholars and researchers validate these variables. the research methodology which was also called the research design that was a cross-section research design, the research population was 50 and the sample size (n) was 44, interviews and questionnaires were the method I employed to collect data from the field which was composed of different nature of small-scale enterprises in Bugujju Trading Centre quality of data that was to say validity and reliability, various methods of data presentation the specific objectives of the study. The findings showed that proper book keeping can results into proper decision making in short- investments, and expansion of businesses can be archived by efficient and effective book from the field are analyzed and describe in this was section of the research study. The data offered in table format enabled easy interpretation of business responds about the types of books they kept, the monthly average income and expenses of the enterprises, the conclusion, recommendations of the research study being undertaken, where by the small-scale business owners and employees recommends that if there was any opportunity that will be availed to educate and trained them about book keeping practice they willing and more interested to be part of the exercise to effectively improve on their basic book keeping skills and knowledge that enhance their enterprises financial health.

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Chapter One

1.0 Introduction.

This chapter includes the study's background, problem statement, purpose, objectives, research questions, scope, significance, and conceptual framework.

1.1. Background of the study.

Globally small-scale enterprises are recognized as important forces behind innovation, economic expansion as well as the fight against poverty. Small-scale enterprises play a vital role in creating employment in developed economies, European Union for instance makes nearly 85% of all jobs (Pandy, 2019). In Nigeria Small-scale enterprises employ more than 84% of the labor force both the formal and informal sectors (Mutesigensi et al, 2017; Niwemutoni et al, 2018), while in India they make up more than 90% of all businesses (Pandy, 2019).

More than 90% of private sector enterprises in Uganda are small-scale enterprises which are identified as the major players in generating wealth, reducing poverty as well as generating income (Ssempala, 2019; UBOS, 2020; UIA 2020; Uwoda & Okello, 2015). Nevertheless, more than 50% of Uganda's small-scale enterprises fail within their first-year despite of their significance (Mukhaye, 2020; Nshemereiwe, 2018). This high failure rate was primarily attributed to poor bookkeeping which was linked to poor financial performance (Kizito, 2017; Mukhaye, 2020).

Most important measure of enterprise's capacity was to make efficient use of its resources was financial performance which was mostly assessed by the profitability and sales growth (Eton et al, 2019; Nagih et al, 2020).

Modern enterprises now rely on the book keeping to grow and remain sustainable (Ademola, James & Olere, 2012). Small-scale enterprises depends heavily book keeping in the books of account for example book keeping provides valuable insights into an enterprise's financial performance and health which help managers to make decisions that will support the small-scale enterprise's financial expansion and success (Salamatu & Muhammad, 2021) despite the benefits of book keeping little was known about how Small-scale enterprise in Uganda, Mukono; Bugujju trading Centre businessmen keep their records and how this affects their financial performance.

Small-scale enterprises are independent non-affiliated business with fewer than a certain number of workers

Financial performance was a key element used in measuring the level of achievement or policy groups and individuals, according to both (Ramadhan et al, 2023; Mangkunegara, 2017: 67), it was translation of the performance often interpreted as demonstration or achievement. That term performance originated from the term job performance that was the achievement to be achieved, (Winny et al, 2023) mentioned that performance was a set of behavior relevant to the goals of the enterprise. Meanwhile enterprises performance was a description of its goals. The financial performance of small-scale enterprises all over nations have been a great concern amongst others; financial institutions, entrepreneur's, government and non- governmental organizations, other development economist (Eniola & Entebang, 2014). In the United Kingdom and united states of America financial performance management in small-scale enterprises was quite different to fond that in big companies due to the extremely more changing nature of flow of their revenue cycle and their capacity to raise finance using equity or debt financing (Welsh & White, 1981) and lack of accounting systems present to large enterprises as well as professional members who manage such technologies.

The process of managing book keeping life cycle by evaluating it, assigning it a value and deciding whether to keep it or discard it was known as book keeping (Fraser University,2002), the process of maintaining books was known as bookkeeping in accounting. However, creating and preserving comprehensive, trustworthy and accurate business transaction in the record data was another definition of bookkeeping It involves. According to Serwanga 2005, accounting records are created with the assistance of the following documents.

The seller provides the buyer with an invoice which was a business document that details the products quantities and agreed upon prices of the goods and services the seller has provided in the past. Unless payment was made in advance an invoice indicates that the seller was in charge of payment in accordance with the conditions that were agreed upon. Invoice are often called bills, according to encyclopedia Wikipedia. The most important element in the useful operation of small-scale enterprises was usually maintaining accurate accounting information. It was necessary for Uganda's value added tax system to function effectively, in order to register and comply with the legal requirements, a business must keep accurate books of account. The process that bookkeepers and accountants use to transform raw data into information for financial statement to make the data most useful to the summarization and classification, these classification and summaries will make it possible to generate financial statements for a specific time frame. Last but not least, a qualified and experienced accountant should be able to assess whether the small-scale enterprise was financially healthy, it will also be possible to show the enterprise's strength and weakness with the owner according to Frank wood, 1999. Research showing that small-scale enterprises are micro and small-scale enterprises with high transaction costs but not enough collateral to cover the relatively high risks, they comprised a significant amount of each country's economy she continued they are marginalized and high-risk group that they sometimes work in the unorganized sector because a lot of small-scale enterprises owners cannot read and communicate and doesn't have information. but international groups like international finance corporation and world bank (2002) elaborates that small-scale enterprise are those that are characterized by low or small start-up capital and few employees but in most cases the small-scale enterprises are operated by their owners.

Financial distress also results into failures of small-scale enterprises. This was a situation where the enterprises are unable to meet its obligations such as paying off debts, covering expenses due to decline in profitability, failure to generate sufficient cashflow and increasing level of debts for example cashflow insolvency, operational and technical as well as structural distress according to encyclopedia Wikipedia most small-scale enterprises collapse in their first year of operation making it hard for them to sustain their market share and brand reputation due to lack of accounting experts to keep accurate and trustworthy and reliable accounting statements kept in the books of accounts and other supporting documents like invoices and sales receipts

1.2. Statement of the Problem.

Business world over like Uganda 90% of the its economy comprised of the small-scale sector according to Abor and Quartey (2010) job creation and poverty reduction in the developing countries (Tambunan, 2009; Agyapong, 2010) even though they play a vital role many struggles with significant failure rate because of inadequate book keeping (Fatoki, 2012; Wanjohi, 2010). Book keeping was essential yet frequently underrated component of financial performance management however it was key for assessing financial performance and ensuring accountability (Maseko & Manyani, 2011; Amoako,

2013) many small-scale enterprises rely on informal methods which hinders decision making, limits access to financing and affects transparency (Muchira, 2012; Abanwaset al., 2012), the lack of basic accounting skill further undermines their financial potential. This emphasized the need to investigate how bookkeeping practices affects the financial performance of small-scale enterprises.

1.3. Purpose of the study.

To examine the effects of book keeping and financial performance of the small-scale enterprises with a focus on how accounting practice affects the operation and strategic framework of financial report for better assessment by other legal institutions and authorities in Uganda.

1.4. Study objectives.

The study was guided by the following objectives

To examine the relationship between small-scale enterprises financial performance and bookkeeping

To examine the challenges associated with book keeping and financial performance of the small-scale enterprises.

To identify the basic book to be kept by small-scale enterprises.

1.5. Research Questions.

What are the effects of book keeping on the small-scale enterprises in Bugujju trading Centre?

What are the various books kept in small-scale enterprises in Bugujju trading Centre?

What are the challenges associated with book keeping and financial performance of small-scale enterprises in Bugujju trading Centre?

1.6. Content scope

The study examines the relationship between book keeping and financial performance of small-scale enterprises with a particular focus on Bugujju Trading Centre. The scope of the study includes the following dimensions

1.6.1. Geographical scope

The study was limited to Bugujju trading Centre Mukono district, examining urban and rural settings to provide a comprehensive relationship between book keeping and financial performance of small-scale enterprises.

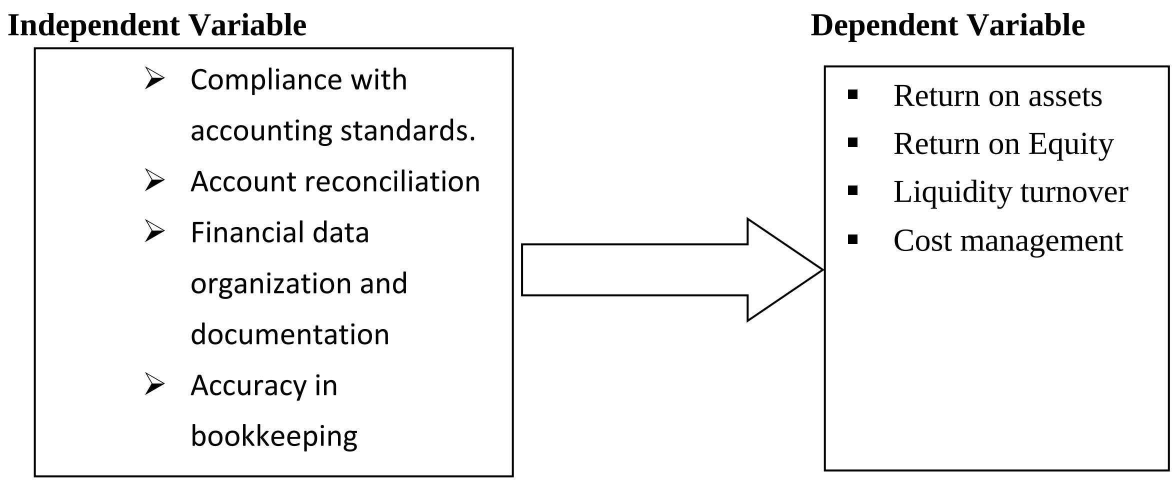
1.6.2. Time scope.

The research took a period of four months from April to August, 2025 was selected to enable the researcher come up with coherent information from the respondents as it enabled those (respondents) to give responses that will be typically of their opinions from the observations.

1.7. Significance of the study.

The study provides a basis for professional and future researchers who need the information that was gather at the end of this study which made further researchers of the problem. Nevertheless, the study's conclusions will help entrepreneurs in small and medium-sized businesses enhance their bookkeeping. This was because bookkeeping offers a precise and well-organized data of all financial transactions it was essential for evaluating the financial performance of small-scale enterprises. This helps in tracking revenue and expenses determine profitability trend over time and gain a better understanding the enterprises financial health. Making informed decision, obtaining funding and guaranteeing tax compliance.

1.8. Conceptual Framework source:



The conceptual framework showed the relationship between the various records kept on the financial performance on small-scale enterprises, financial budgeting on the performance of small-scale enterprises in Mukono (Bugujju trading Centre) as conceptualized below

Profitability, was the measure of enterprises capacity to generate revenue relative to its expenses an enterprise was considered profitable when its revenue growth exceeds its operating costs.

Liquidity turnover was the ratio and the capacity to convert assets into cash; assets that are easier to convert into cash are considered more liquid, and cash was generally considered the most liquid asset. You can easily and quickly access money in a bank by completing a bank transfer.

A metric called return on asset (ROA) evaluates a small business's profitability over a given time period by comparing the value of its assets.

Managers and financial specialists use asset return as a metric to assess how well a business uses its resources to turn a profit

Return on Equity (ROE), was one measure of investment's profitability, this compared the amount you made and amount you paid to determine how effective an investment was matched Source.

Compliance with standards such as the accounting standards like the International Financial Reporting Standards (IFRS1), International Accounting Standards (IAS 16) which recognizes plant, property and equipment's and other standards like the International Auditing standards these standards will enhances and improves on the book keeping systems and financial performance of the small-scale enterprise

Chapter Two

Literature Review

2.0. Introduction.

The review of the body of research on the topic was provided in this chapter. Textbooks, achievers, available research and other publications comprise the literature.

2.1 Definition of key terms.

Book keeping is the systematic and practical documentation of financial transactions to demonstrate the state of a business enterprise (Bategeka, 1996). Determining the amount and sources of losses and profits for a given period was the primary goal of financial book keeping.

Financial performance was the enterprise's ability to generate revenue and use assets for primary business mode was measured. This is metric can also be used to measure the overall financial health of an enterprise over a specified time period.

Growth. This refers to the expansion of the company's operations basically measured by increased revenue, profits or market share and market penetration. Growth often boost revenue which involves increasing the top higher product service income

Business failure, was a situation where the small-scale enterprises are not in position to continue their operations and has to windup their business operation like this may arise due to poor management decisions, economic downturns as a result of external factors or intense competition within the industry

The books kept by small-scale enterprises among others comprised of the following like sales day book, purchase book, balanced score card, petty cash book and general journal and other supporting documents receipts, invoices, expense vouchers these books are important in the sense that they help in financial control where a clear insight of money coming in and going out, performance measurement and tax compliance since accurate books kept were used for computing taxes which was filed for tax assessment by Uganda revenue authority.

2.1.1. Relationship between book keeping and financial performance.

This item has to do with book keeping for instance if you count the number of items in your small-scale enterprise and get different numbers, it means that you are not accurate. To get an accurate figure, you must continue to count very carefully this was why book keeping was so important.

This item relates to maintaining books of account for example, you are not accurate if you count the number of items in your business and get different numbers, you have to keep counting very carefully in order to obtain an accurate figure for this was reason book keeping was vital. Harrison (2009); Colbert & Kwon (2017). Work outcomes like job performance are connected to enterprises commitments according to Mathieu and Zajac (2011) and Randall (2013). Furthermore, the work environment has a significant impact on employees' commitment and performance according to Westermann and Simons (2007). Nouri & Parter (2009), people who have strong small-scale enterprises affiliations can be motivated by enterprise's interest even though self-interest was a strong motivating factor in the work place if people are dedicated to reaching their goals, challenges are more likely to result in organizational commitments have a negative correlation with absenteeism and turnover and positive correlation with employee motivation

According to Clelland (2008), they were found more effective than continuous (attitude) commitment in fostering a strong relationship with exercise results even though our understanding of the connection between employees' attitude and financial performance has advanced there was still a number of issues regardless of the field the majority of research usually examines secondary data sets with survey questions customized for a specified study. Very few of these studies have specifically tested a model or used pre-existing, validated measures of the traditional variables of interest, job satisfaction among employees was frequently the sole attitude variable. A strong belief in and acceptance of the small-scale enterprises' goal and values as well as the willingness to put in significant effort on.

Accounting books kept and financial performance, an enterprise was said to be operating effectively when it meets the necessary standards and expand its market share, upgrades its facilities to ensure return on profitability and reduce its overall expenses (Fitzgerald et al, 2006). Performance was a continuous process that includes controlling the standards by which a project, organization or agency can be judged (Duranti and Thibodeau, 2001).

The ability of the small-scale enterprise to manage financial costs, satisfy staff, provide timely interventions and respond to target group reactions to interventions are all covered by these criteria which usually represented as component parts of an internal system.

Economists contend that book keeping frees up resources that could be invested in, thereby promoting future expansion of small-scale enterprises (Tomlin, 2008), as a result some people think the book keeping places undue pressure on small-scale enterprises to expand because of the numerous regulatory books, the burdensome important procedures and high port charges that continuously put a significant strain on their operations, book keeping typically has to operate in an over bearing regulatory environment. Numerous small-scale enterprises must manage a multitude of book keeping tasks, as previously mentioned they are diverse and vary in size and structure and many of the varying book keeping requirements that impact the cost to businesses of complying with (and to the revenue authorities of administering) potential book keeping requirements.

The general public associated with book keeping in carrying out responsibilities with financial performance of small-scale enterprises. And fail to provide transparent books in operation, this type of environment harms individual enterprises and the overall economy. As a result, many enterprises community react by taking a step of kook keeping this was typically include under reporting profits and turn overs, generating ghost employees and under reporting employee wages due to inadequate book keeping, a sizable portion of small-scale enterprises also neglect to register. This simply adds to the owner's burden which has an impact on small-scale enterprise's financial performance and book keeping

2.2. Examine the challenges associated with book keeping and financial performance of the small-scale enterprises.

Absence of employee knowledge and experience (Mukhaye, 2020), mentioned that over 90%of the small-scale enterprises fail in their first year. There are several reasons why your small-scale enterprises may end up using inexperienced bookkeepers (Semiretired, 2018), small-scale enterprises that started from scratch may end up with workers who are unable to cope with the mounting demands of an expanding enterprise. It's possible that our bookkeeper lacks industry-specific knowledge, alternatively it's possible that our bookkeeper was having trouble embracing new technologies or bookkeeping method (Osman et al, 2014). In any event staff members who lack the knowledge and abilities needed to handle our books may make poor decisions, results in lost income and limits the expansion of the small-scale enterprises. However, take your time-firing loyal staff was not necessary, up skilling makes it easy to handle this was typical bookkeeping challenge

Data loss and security threats (Rombaldo Junior, C., Becker I & Johnson S, 2023), with the cost of a data loss at all-time high, safeguarding your small-scale enterprise from threats and data loss has never been more crucial your cyber security strategy should prioritize accounting and finance above all other enterprise departments. (Awasthi S, 2022), extremely sensitive customer, employee and enterprise data was handled by malicious malware and other attacks. However, small-scale enterprises owners should be concerned about more than just external threats particularly vulnerable to insider threats are accounting systems (DergiPark, 2023), insider threats are perpetrated by individuals who work for, were employed by your enterprise and the financial performance makes them vulnerable to insider threat attempt.

Maintaining tax compliance, one of the most stressful bookkeeping issues small-scale enterprises deal with was tax compliance, the internal revenue service has harsh penalties for non-compliance which can include fine and jail (Akankwasa et al. 2022). The explanation for this was straightforward its challenging to keep up your taxes, it can be difficult to keep up with changing tax laws while managing your numerous tax documents, bookkeepers who lack the tool to properly file taxes run the risk of making mistakes according to Uganda National Chamber of Commerce (2022). Poor tax compliance practices can lead to a number of problems including missed deductions, late filing and inaccurate tax calculations and missing quarterly estimates (Research Gate, 2024).

Inadequate bookkeeping and organization (Bowen, Morara & Murethi, 2009), bookkeeping can quickly spiral out of control if your small-scale enterprise was expanding especially if you handle rising payroll, tax and expense demands will only exhaust your staff and lead to data entry errors and lost information (Butler & Germain, 2010), inadequate bookkeeping and organization procedures also make it harder to see your small-scale enterprise financial performance stability. You can also run the risk of problems with tax compliance and data privacy, therefore keeping organized and up-to-date books was essential however, adding more workers was not the solution.

Having trouble keeping accounts payable and receivable (Gul S & R. A, 2019, Uyar, A. & Karatas M, 2014), two of the most basic elements of accounting are accounts payable and receivable, ineffective accounts receivable and accounts payable management results in billing and invoicing errors, late payments and other problems that Impede small-scale enterprise's growth, cause critical cash flow delays and lower customer satisfaction. Money owed to you by clients who have received invoices but have not yet paid your goods or services was referred to as accounts receivable (Garrison R.H, Noreen E.W, & Brewer P.C, 2018) any short-term debt that the small-scale enterprises owe to suppliers, creditors was referred to accounts payable, the figures are recorded as journal entries and posted to the general ledger upon the receipt of a valid bill or sending of an invoice.

2.3. Types of books kept in small-scale enterprises.

Small-scale enterprises are essential to the universal economy because they greatly on economic expansion and accelerate employment. Their continuity depends on competent financial management and keeping accurate books of account was a relevant component of this step. Small-scale enterprises usually maintained cash books, sales and purchase ledgers as well as inventory book and payroll book, though the types of books they maintain differ based on their size and capacity of the business firm and law requirements.

Several authors' have given credit to the literature on small-scale enterprises book keeping (Morgan, 2006) assets that the book needs to be kept current and truthful, books should be kept in regular course of the business, he continued a variety of books kept by small-scale enterprises.

Documentation of business owner's income and expense was focus of gross payment and receipt. Every small-scale enterprise uses a cash book to records of payment and receipts. Receipt include cash that has been deposited into bank account even though payments were made using the petty cash book. The simplest cashbook was the in which receipts were recorded on the right-hand page and payments are on the left-hand side of the page.

Invoices, according to (Neuvonen M, 2017), purchase records were the products that the owner purchase and subsequently resell to customers and it must be kept by every small-scale enterprise. This includes the cost of raw material for the manufacturer or producer, the supporting documentation should include the amount paid as well as the amount paid for the purchase. The costs incurred while conducting business are referred as expenses, it should be clear from the supporting documentation that the amount was for expenses.

This expense related records include petty cash books, invoices, the outflow or payment of money over a predetermined period of time to cover obligations like operating costs, loan interest and accounts receivable in order to conduct business was known as cash disbursements.

Sales day book. comprehensive instrument painstakingly created to optimize and streamline your sales book keeping procedures, to maintain a precise and organized records of your daily sales activities was important for financial transparency and analysis well as the long-term success of small-scale enterprises. The effectiveness of sales day book keeping would be successful depending on the partner or the sales person for keeping precise sales records, simply want to track your own sales, maintain the organization and take responsibility of your sales data (Amazon.com, Inc, sales day book, 2023).

A budget, was an elaborate financial plan that outlines the expected course for achieving the operational and financial goals of the business, the effectiveness of small-scale enterprises depends on budgeting because it enabled owners to keep control over the business, to support the attainment of corporate objectives by ensuring that to the greatest extent feasible business operation were carried out in an orderly and efficient manner including adhering to corporate policies, safe guarding assets, providing information as well as spotting similar fraud and errors (Fredrick S, 2006). Similar ideas found on internal control systems such as job rotation and segregation, asset protection, transaction authorization and independent checks to ensure that the control procedures are practiced.

However, according to (Lawson-Body, A, Willoughby L& Tamandja EM, 2020) electronic books are currently stored on computers, servers or cloud platforms making electronic book keeping system the most popular type, among their many advantages was that the capacity to work both digital and physical documents, improve security and durability, save resource and space and enable speedy search, updating and sharing. (Dimitriadis, E., Chatzoudes D, Jordan M, 2019) They also benefit the source and internet are susceptible to corruption, viruses and cyber-attacks, needs a regular maintenance and to comply with a number of regulations. Therefore, small-scale enterprises with a large number of documents and needs for frequent access and collaboration and good fit for electronic systems.

Payroll books, another fundamental form of book that small-scale enterprises maintain particularly those with employees. Wages and salaries as well as taxes and other deductions made by employees are documented using this book. According to Bragg

(2018) maintaining accurate payroll list was key for guaranteeing employee satisfaction and minimizing conflicts. More so being a legal requirement in many jurisdictions to efficiently manage these books small-scale enterprises often rely on neutral party payroll services.

Tax book, for small-scale enterprises tax compliance was a legal requirement, maintaining accurate tax account was essential to meet legal commitments, in a view to file tax reimbursed these accounts must include proof of revenue and expenditures as well as tax payments. correct tax account encourages compliance with local tax legal requirement and aids small-scale enterprises to mitigate fines and audits (Nobes and Parker, 2020). Other book Small-scale enterprises maintained includes, petty cash books and non-current asset book, as well as loan books to supplement on the primary financial books. These documents aid in decision-making and provides more information about the enterprises financial statement. For instance, loan book guarantee that repayment schedules are followed and non-current asset book helps in monitoring the reduction in the value of an asset**.**

Stock books are fundamental for small-scale enterprises that involve in producing or trading. They can maintain their stock levels and avoid excess stocking and stockouts by using these books which keep track of the number of stock available and value of goods in inventory. Efficient stock control was essential for reducing the holding costs and ensuring that stocks are available to meet consumer demands. Claims Stevenson (2020). Basic methods like regular stock counts and inventory management software are often used by small-scale enterprises to maintain these accounts.

CHAPTER THREE

METHODOLOGY

3.1 Introduction.

The chapter presents research design, study population, sample size, sampling techniques, data collection, validity and reliability.

3.2 Research design.

A case study research design was used in the study, which has both qualitative and quantitative method according to Soy (1997), the research case study was selected because it allows a thorough analysis of study problems applicable to real life conditions. In order to collect accurate and correct data for the study, the quantitative technique (self-administered questionnaires) was employed for multiple data sources. As stated in the case study research design's main strengths was the corporation and consultation with the respondents.

3.3 Study population.

More than 100 owners of small-scale enterprises were registered in Bugujju Trading Centre in in Mukono district were included in the study population (based on my direct interaction with the chairperson for business group who are primarily involved in different business categories like hard ware stores, boutiques, clinics, retail groceries, mobile money agents, restaurants & bar, pork joints, saloons.

3.4 Sample size.

The 50 accessible population that has been selected by the researcher to represent the total population was known as the sample size. The following simplified Yamane (1967) proportions formula was used to calculate the study's sample size.

n = N

$$1+N(e)2$$

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

$$n = 44$$

N stands for the population size, n for sample size and e, for precision level (0.05). 95% confidence level and a 5% precision level were assumed in the formula, although the table can serve as a helpful guide when determining the sample size, it was necessary to determine the required sub-sample sizes from each group which makes this formula convenient.

3.5 Sampling Technique.

Random sampling, was non-probability sampling method in which participants are specifically selected to supply the information needed to meet the study's goal, shops in Bugujju Trading Centre consists of those who sell electrical goods, hardware stores, wholesale and retail groceries, mobile money services, boutiques, clinics and saloons.

Simple random sampling, each population unit has an equal chance of being included in the sample using a straight forward random sampling technique (Bryman &Bell,2007), a total of fifty shop owners were chosen at random to receive the questionnaire because the study was about small-scale enterprises. Because the fifty selected owners were best suited to supply the necessary data regarding the effects of bookkeeping on financial performance of small-scale enterprises this approach was used.

3.6 Data collection.

According to the oxford English Dictionary (2023), a questionnaire is set of printed or written questions with a choice of answer, devised for the purposes of survey or statistical study. It's an organized instrument that enables researchers to effectively gather data from a sizable population

3.6.1 DATA COLLECTION TOOLS

Questionnaires were the main tool that are used to gather data; self-administered questionnaires increase data accuracy by enabling respondents to answer questions whenever it was most convenient for them. Five points were used to form the questions; 1- "Agree", 2- "strongly agree", 3- "not sure, 4- "Disagree", 5- "Strongly disagree".

Interviews. It's a conversation between two or more individuals, the researcher (interviewer) asks questions and expects answers from the respondents to gather information about the case study; book keeping, financial performance, challenges and technological advancement adopted by the small-scale enterprises.

Interview. This involve face to face interaction between the researcher and respondent and a set of structured predetermined questions would be answered when asked at a particular time.

Data quality control

This section indicates the procedure and effort that was implemented to realize accurate and quality data that was collected using the methodologies that was selected from a particular study (James Roe, 2022). The small-scale enterprise owners and employees interviewed was based on Yamane Formular to reduce being biased and representation of the sample population

3.7 Validity and Reliability.

Reliability. This instrument ensures dependability and consistent measurement of the study that results into similar outcomes if conducted under same conditions and instrument design, reliability maybe decreased by unclear questions. Tools ought to be precise and pertinent to the goal of the study, reliability varies among participants' comprehension on one way to reduce variability us to standardize conditions and instructions.

Validity. The main aim/ purpose of this study research was to examine validity content, this measure was used to analyze instrument's validity

Judgements from experts review on relevant questionnaire that was used for using the formular to determine the content validity index as the total number of valid questions divided by the total number of questions in survey.

$$C.V.I = \frac{\text{Number of questions which are valid}}{\text{Total number of questions in the questionnaires}}$$

3.8 Data management and analysis.

The gathered data was examined and revised to ensure consistency and comprehensiveness following collection the questionnaires must be checked for accuracy, consistency and omissions across all respondents. Tables, narrative figures and statistical data were used to analyze and present the information gathered from the research study. Descriptive statistic was used to quantify central tendency and correlation, it will give proportion, mean score and percentage and this analysis was to communicate through a statistical summary. It makes the use of mean and percentages, frequency distribution and summarized tabulations among other things.

3.9 Ethical consideration.

The researcher took the following steps to safeguard the privacy of the data provided by the participants and to ascertain the ethical standards for this investigation. To reduce the amount of time responder may have to spend obtaining redundant information, coding was the process of informing each business that has been visited. Obtain approval from the university and the business owners before collecting information from the business entities. The respondent had to sign the informed consent the study's findings were presented in a general manner, be open and honest about your finding's sources, study methodology and any possible conflicts of interest give a detailed explanation of the data intended usage and sharing. Inclusiveness makes sure that no group was subjected to discrimination the study design for participants with particular needs or impairment takes accessibility into account. Social and environmental accountability that affects society and environment more broadly.

CHAPTER FOUR

PRESENTATION AND ANLYSWASOF RESEARCH RESULTS

4.1 Introduction.

The study's methodology was explained in the previous chapter and the study's outcomes were presented in this chapter. The outcomes are presented and discussed; the outcomes are displayed according to the goals of the study. The outcomes are presented using a narrative discussion format, in which they are first described, then examined and finally discussed. The purpose of the study was to examine the effects of bookkeeping and financial performance of Small-scale Enterprises which contributes to the expansion and sustainability. Analysis of the response rate and descriptive statistics.

4.1.1 Demographic background.

Bugujju Trading Centre was site of this survey, a total forty-four informant's took part in the study as respondents, these were employed by the small-scale enterprises the table shows the respondents distribution by small-scale enterprises taking gender into account. Both the genders who owns and operated small-scale enterprises in Bugujju Trading Centre were equally represented in the sample population thus limiting discrimination and biasedness of the researcher in distributing the research questionnaires to the respondents

Table 1: Showing the gender of respondents.

Gender respondent	**Frequency**	**Percentage**	**Valid percentage**
Male	25	57%	57%
Female	19	43%	43%
Total	44	100%	100%

Table 4.1 the valid percentage in the gender distribution corresponds to the raw percentage categories based on frequency: Total (44) Female (19) and Male (25). Column Percentage

contains three valid percentage values: mean 66.67 median 57.0 and range 43 to 100. (43%) and Male (57%). With a median of 57.0 and a mean of 66.67. Notably the male gender was dominant respondent of the small-scale enterprises in Bugujju Trading Centre compared to the females, some of them were the owners and others were employed to manage the business this implied that most of the small-scale enterprises were own, managed and operated by the men few female counter parts were also involved in the same sector.

Table 2. The age brackets

Age bracket	frequency	percentage	Valid Percentage	Cumulative percentage
18-25	29	65.9%	65.9%	65.9
26-35	8	18.1%	18.1%	84
36-45	5	11.3%	11.3%	95.3
46-60	2	4.5%	4.5%	100
Total	44	100%	100%	

Table4.1.1 The finding of the study indicated that biggest population proportion who operated small-scale enterprises and actively participated to answered the questionnaire were within the age bracket of 18-25, that was a represented by 65.9% as shown by the table this implied that majority of the small-scale enterprises in Bugujju Trading Centre were operated by the young population, then this was followed by 18% of the age range 26-35, then age bracket of 36-45 with 11% and 5% of the age bracket of 46-60 was the smallest thus meaning the majority of participants were concentrated in the lower age bracket and few participants from old age bracket above 35years with a mean of 17.6 and a median of 8.0. This means that all the age brackets indicated in the research questionnaire were examined

4.1.3. Education status

Respondent	Frequency	Percentage
None	2	4.5%
Primary	12	27.2%

Secondary	20	45.4%
Colleges	10	22.7%
Total	44	100%

Table 4.1.2 the findings of the study revealed that the majority of the respondent's at least went to school where biggest group percentage were in secondary education. 45.4%, implied that the owners and employees who operated small-scale enterprises in Bugujju trading Centre were literate that is to say they know how to read and write followed by primary school (27.2%) who can at least record daily transaction and colleges/ tertiary institutions (22.7%) were able to interpret and produce a standard financial report. 4.5% of the sample population have not attended any formal education while the majority (95%) of the owners and employees who operated small-scale enterprise in Bugujju Trading Centre have at least attended a formal education.

4.1.4. Category of the business's Monthly average revenue

Business category	Frequency	Percentage
Grocery shop	14	31.8%
Saloon	6	6%
Boutiques	5	5.3%
Restaurants'	7	15.9%
Electronics shop	8	13.1%
Bars	10	27.7%
Total	44	100%

Table 4.1 The findings of the study revealed that owners and employees who invested in the grocery stores, electronics shops, bars and restaurants in Bugujju trading Centre realized high monthly revenue of 89% compared to the saloons, boutiques' that had 11.3% of the total population sample. Grocery stores have the largest share of the monthly average revenue (31.8%) which was the dominant according to the column that displays the unequal distribution of business revenue categories. Followed by Bars that has 27.7% of the total

percentage meanwhile the restaurants 15.9% of the percentage portion, saloons 6% electronics stores 13.1% and boutiques 5.3%, this means that most businessmen who ventured in saloons, boutiques and electronics shops realized moderately low average monthly revenue this may be due to seasonality of demand for their products, customers taste and preference.

Table 4.2. The effects of book keeping on financial performance of small-scale enterprises

1. **Strongly disagree, 2= Disagree, 3= Not sure, 4= Agree, 5= Strongly Agree**

Item	Statements	1	2	3	4	5
		%	%	%	%	%
1	Proper book keeping helps to easily access loans from formal and informal financial institutions	**0**	**25%**	**38.2%**	**30.8%**	**38.5%**
2	Proper book keeping has a promising effect on the general performance of the small-scale enterprises	**0%**	**23.1%**	**26.9%**	**35%**	**42.3%**
3	Proper book keeping minimizes frauds and errors	**0%**	**20.5%**	**19.2%**	**38.5%**	**30.8%**
4	Proper book keeping gives room for comparative analysis of the enterprises of the same category	**0%**	**19%**	**20%**	**30%**	**31%**

5	Proper book keeping is part of the legal requirement for tax assessment and computation.	**0%**	**25.4%**	**22.2%**	**32%**	**20.2%**
6	Proper book keeping can result into informed decision making by the business owners	**0%**	**26%**	**14.2%**	**32.8%**	**27%**
7	Proper book keeping enables business owners to identify the areas of weaknesses and improvement	**0%**	**16.3%**	**13.7%**	**38.2%**	**31.8%**
Total		**0**	**100%**	**100%**	**100%**	**100%**

Source: Primary data.

Table 4.2 **t**he findings of the research study showed that proper books keeping helps to easily access loans from formal and informal financial institutions like sales book, purchase books and general journals were used these was proofed by 38.5% that strongly agreed whereas 30.8% agreed, 38.2% were not sure, 25% disagree and none 0% strongly disagree

The findings of the research study indicated that dominant of the respondents strongly agreed to proper book keeping has a promising effect on the general performance of the small-scale as proofed by 42%, of the respondent's then 35% agreed to the statement however the 27% were not sure as 23% disagreed and 0% strongly disagreed with the statement.

Furthermore, the findings of the research study showed that Proper book keeping minimizes frauds and errors like the International Financial Reporting Standards was used to produce financial statements this was evidenced by 39% respondents who agreed with the statement followed by 31% who strongly agreed to with the statement, 19% were not sure meanwhile 21% disagreed and 0% strongly disagreed with the statement.

The findings of the research study indicated that Proper book keeping gives room for comparative analysis of the enterprises of the same category which was proofed by the 31% strongly agreed, 30% of the respondents that agreed with the statement this implied that the majority of the small-scale owners and workers of 61% accepted the statement while 20% of the respondents were not sure and 19% disagreed meanwhile 0% strongly disagreed with the statement.

The findings of the research study revealed that proper book keeping was part of the legal requirement for tax assessment and computation, this was evidenced by 32% of the respondents who agreed with the statement, 20% strongly agreed. The majority of the owners and employees of the small-scale enterprises with the total percentage of 52% agreed meanwhile the 48% respondents were not contented with the statement.

The finding of the study showed that proper book keeping enabled business owners to make informed decision, research revealed that among the respondents of the study sample 32% agreed, 27% strongly agreed with the statement this implied that the majority of the small-scale enterprises owners of 59% believed that when books of accounts are well kept it would result in to informed decisions made whereas the 41% of the respondents did not accept

Lastly, the findings of the study showed that proper book keeping enabled the enterprises owners to identify the areas of weakness and improvement as evidenced by the sample percentage that 31% strongly agreed, 38% agreed with the statement. The majority of the owners and employees of small-scale enterprises in Bugujju Trading Centre concluded that weaknesses and areas of improvement can be identified when books of accounts were properly kept this was evidenced by the 69% of the total respondents, the remaining 31% do not consent with the statement.

Table 4.3. Examine the challenges associated with book keeping and financial performance of the small-scale enterprises. (A= not a challenge B= significant challenge)

Challenges associated with book keeping	Frequencies	Percentage
Disorganized physical book	5	11.3%

Lack of qualified accounting personnel	7	20.4%
Fear of audit or penalties from tax authority	9	15.9%
Lack of personal knowledge about bookkeeping	23	52.2%
Total	44	100%

Table 4.3the findings of the study revealed that majority of the owners and employees who operated small-scale enterprises in Bugujju trading Centre lacks personal knowledge about book keeping which was the most significant challenge been faced represented by (52.2%) that was highly pressing challenge and then followed by the lack of qualified accounting staff (20.4%) which was moderately pressing challenge and tax guidance and assurance (15.9%) the remaining 11.3% were the least pressing challenges that could be better organized if the owners and employees who operated small-scale enterprises in Bugujju trading Centre adheres to the International Financial Reporting Standards.

The findings revealed that most of the staff who operated small-scale enterprises in Bugujju trading Centre needed to be trained and sensitized about basic knowledge of book keeping, tax guidance and assurance as well as provision of qualified accounting personnel's that would help them improve on their business's financial records

Table 4.4. Examine the basic books kept by the small-scale enterprises.

Business category	**Statement of cash flows**	**Statement of comprehensive income**	**Statement of financial position**
Grocery shop	48%	55%	62%
Saloon	26%	15%	18%
restaurant's	14%	8%	10%
Electronics	3%	12%	2%
Boutiques	5%	3%	0%
Bars	4%	7%	0%

Total	100%	100%	92%

Table 4.4 the finding of the research study revealed that among the small-scale enterprises in Bugujju Trading Centre statement of cashflow was mostly prepared by the grocery shops which was evidenced by 53%, and it was followed by the restaurants, electronics and saloons with total percentage of 37% whereas bars and boutiques contributed to 10% as the overall percentage share.

The finding of the research study showed that statement of comprehensive income was mostly prepared by the owners and employees who operates grocery shops that was proofed by the 55% percentage share of the total sample size and this was followed by saloons and electronics that had 15% and 12% respectively whereas bars, boutiques and restaurants contributed a total percentage of 18%. This implied that some of these people who operated small-scale enterprises in Bugujju Trading Centre rarely prepare the statement of comprehensive income.

The findings of the research study revealed that statement of financial position was prepared by the majority of the owners and employees who operated small-scale enterprises in Bugujju Trading Centre which was evidenced by 92% and few others like people who operated bars, boutiques from the sample population do not prepare the financial report that is to say the statement of financial position that accounted to 8%.

2.4 The type of system employed to keep records

Type of system employed	**Frequency**	**Percentage**
Paper-based/ manual System	41	93.1%
Computerized/ Electronic System	03	6.8%
Total	44	100%

Table 4.5the finding of the study revealed that majority of the owners and employees who operated small-sale enterprises in Bugujju trading Centre depended on the manual/paper-

based system to keep records as evidenced by (93.1%) and few respondents in the sample population adopted the electronic/computerized system which accounted for (6.8%) of the total population percentage.

The finding showed that most of the owners and employees who operated the small-scale enterprises do not employ accounting software's like tallies, quick books and applications such as spreadsheets for their daily records due to computer illiteracy thus majority of them were still implementing the traditional system of book keeping. the result revealed that most of the small-scale enterprises owners and employees in Bugujju Trading Centre widely employed the manual/paper-based compared to the electronic system.

2.5 Employ training effectiveness

Suggestions	Frequency	Percentage
Training about the basic skills of book keeping	32	72.7%
Creating awareness about cyber security	5	11.3%
Creating awareness about the policy requirements bookkeeping in small enterprises	7	15.9%
Total	44	100%

Table 4.6 Findings of the study based on the frequency of training the owners and employees of small-scale enterprise in Bugujju Trading Centre about the basic skills of book keeping took the most portion of (73%) this implied that most them were willing to undertook the training process for the betterment of their business financial accounts.

The findings of the study revealed that creating awareness about the policy requirements of book keeping in small-scale enterprises in Bugujju trading Centre which was represented by 16%, of the total percentage which was moderately pressing challenge of the business owners and employees of various categories enterprises that required immediate response from the either the government or non-governmental organizations that deal in ensuring community economic sustainability and awareness.

Lastly the finding of the study revealed that creating awareness about cyber security that accounted for 11.3% out of the total sample percentage was the least pressing challenge that was faced by the owners and employees who operated small-scale enterprises in Bugujju Trading Centre that needs solution.

CHAPTER FIVE

SUMMARY, CONCLUSION AND RECOMMENDATIONS

5.0 Introduction.

Based on the prior findings described in chapter four, this chapter shows the study's summary and conclusions. In supplement I proposed suggestions extracted from the study's discoveries. The suggestion might result in the proper action to enhance the noted flaw in Small-scale enterprises' bookkeeping. Supplement on areas of additional research was suggested based on the study's outcome and recommendations**.**

Summary of the study's findings.

These findings are based on the outcomes and was concluded in accordance with the study's goal. The study sought to examine the effects to which Small-scale enterprises' bookkeeping contributes to their financial performance Three unique objectives were advanced as outcome of the strategic study of this was aimed

5.1. Examine the relationship between bookkeeping and financial performance of the small-scale enterprises

The outcome showed that some small-scale enterprise owners provide their staff with training which gives them insight on how to manage and operate the enterprise while others teach them how to compute books of accounts and examine the book that are which also helps them on how to keep financial records and be able to compare their performances of the current and previous period

The study's findings showed that small-scale enterprises can make wise financial decisions by maintaining accurate books of account. Business owners can evaluate their financial situation, calculate profitability and choose whether to increase or decrease specific operations when they have access to timely financial reports. The financial data at hand influences decisions about hiring, investments and purchases.

The study's findings showed that maintaining book of account is essential to managing the knowledge required for successful business operations for proper decision-making, daily business transactions such as those involving receipts and expenses should be precisely documented. These aid the business in assessing its performance over a specific time frame typically at the end of a fiscal year. This result was consistent with the research (Onaolapo and Adegbite ,2014).

The study’s findings also demonstrated that efficient bookkeeping helps small businesses manage their resources and keep costs under control which in turn promotes long-term profitability small-scale enterprises can find areas of overspending and take corrective action by monitoring their expenses. Additionally precise financial documentation aids in calculating the return on investment (ROI) of different enterprises operations including product development and marketing.

5.2. Examine the challenges associated with book keeping.

The outcome of the study showed that the employees and the owners of these small-scale enterprises had the willingness for bookkeeping meanwhile they lack essential skills and knowledge of bookkeeping thus they make more errors and fraud according to the research made. Many of the employees and owners of the small-scale enterprises suggested that they would really welcome and kind of training opportunity which would come their way to improve on their basic skills and knowledge about book keeping to overcome the challenges that are associated to book keeping which can also pave the access to financial institutions for basics like loans and financial advises

The study's findings demonstrated that small-scale enterprises owners' lack of financial literacy is one of the main obstacles to bookkeeping many of these business owners lack formal accounting training and they were not aware of the best practices for maintaining accurate financial records**.** This ignorance may lead to inaccurate transaction recording, incorrect account classification and trouble comprehending financial reports but according to the study small-scale business owners can improve their financial literacy by receiving instruction and training their capacity to handle finances could be greatly enhanced by providing seminars and classes on fundamental accounting concepts and bookkeeping software. Furthermore, employing a qualified accountant or bookkeeper can guarantee that records were correct and adhere to legal requirements**.**

According to the study's findings small-scale enterprises operators have continued to use manual bookkeeping particularly in areas with limited access to digital technology. Manual approaches however, raise the possibility of mistakes like incorrect calculations, misplaced receipts or duplicate entries which can skew financial reports. According to the study the best strategy to reduce errors is to switch to digital bookkeeping systems by automating computations and data entry software solutions can lower human error. Cloud-based solutions also provide remote access and data backup enabling business owners to handle their books from any location.

In addition the study's outcome indicates that the owners and employees of Small-scale Enterprises were highly willing to learn more about how to keep record of their business transaction because of positive impact of record keeping as analyzed in chapter one and two of the study and more so according to the records kept by individuals of west division fort portal it was found out that many books of their account were in accurate according to the respondents of the owners of the business hence many in accurate figures in their books of account

5.3. Identify the basic books kept by small-scale enterprises

The lack of this was basic book makes it difficult for the employees and enterprises owners to track records of the past activities which would have helped them in making a strategic decision which can impact positively on the small-scales enterprises financial performance. The most books kept by these enterprises in Bugujju trading Centre includes sales book, general ledgers, purchases book and payroll books.

The finding of the study showed that digital bookkeeping is an improvement over manual bookkeeping, spreadsheet applications such as Google Sheets and Microsoft Excel are examples of digital practices with the added advantage of calculations and data sorting capabilities these tools give businesses a more structured approach to tracking financial data. Spreadsheets are used by small businesses to keep track of inventory, sales and purchases. Some even use pre-made templates to automate certain steps in the process.

According to the study's findings manual bookkeeping entailed keeping tangible records of financial transactions usually in the form of journals, receipts and ledgers. Small -scale enterprises owners and employees continued to use this conventional approach especially in places with little access to digital tools or with low transaction volumes. Despite the mistakes and inefficiencies involved many small-scale enterprises operators have continued to track daily sales and expenses using handwritten notebooks.

According to the research regularity and accuracy of book keeping improve in proportion to the frequency of instruction in fundamental ideas and guidelines that was consistent with the theory that training leads to practice and performance.

Better bookkeeping practices and knowledge among Small-Scale Enterprises are positively correlated with bookkeeping training exposure heterogeneity suggests that in order to minimize gaps minimum content and delivery frequency should be standardized better financial management, compliance, and external finance positioning are all supported by improved bookkeeping.

The concepts of bookkeeping training are covered in a meaningful but inconsistent manner although a sizable percentage are exposed to fundamental concepts specific guidelines and applications seem to be less frequently highlighted.

5.4 Conclusion.

The financial performance of small-scale enterprises was significantly influenced by bookkeeping, the benefits of keeping timely and accurate books of account were numerous and have a big impact on an enterprise's general financial health. As was mentioned keeping accurate books of accounts improves cash flow management makes it easier to make wise financial decisions and guarantees tax compliance as well as promotes expansion by giving a clear picture of profitability**.** Maintaining liquidity and preventing cash flow issues require business owners to keep accurate books of their expenses and income as well as debts, small-scale enterprises were able to make strategic decisions like whether to increase operations and make new investments or reduce expenses when they keep current and accurate books.

To sum up good bookkeeping was essential to small-scale enterprises' financial success maintaining accurate and consistent financial reports was crucial for cash flow management and decision-making, as well as legal compliance. The study found a variety of methods for keeping these books from sophisticated digital solutions to more conventional manual techniques even though bookkeeping has many problems like poor financial literacy and human error as well as inconsistent bookkeeping these can be resolved with focused approaches like outsourcing, digital tool adoption and training initiatives. In the end small-scale enterprises that place a high priority on accurate bookkeeping have a better chance of surviving, expanding and maintaining long-term financial success**.**

5.5 Recommendations

I recommend that all small-scale enterprises owners and employees as well as managers should adapt the modern payment technologies such as Momo pay, Visa card payment where transactions are recorded automatically during the processing of carrying the transactions for instance the shop attendant can generate daily, weekly or monthly mini statement of transactions which act as a reference which are saved online. This mode of book keeping can be strengthen further by improving on the cyber security system.

Since training the employees assists in increasing the efficiency of the small-scale enterprises and increases their financial management skills to aid on their accuracy. I recommend that both owners and employees of the small-scale enterprises to regularly attend trainings offered by any organization to improve on their efficiency and financial health of their enterprises

To find out the effect of book keeping and the financial performance of Small-scale enterprises in Bugujju trading Centre to maintain books like sale day books invoice and other supporting documents. In these books they draft cash books which records the cash sales transactions and statement of financial position which help them to know and compare their financial performance meanwhile the statement of comprehensive income aids at realizing the different years net income, expenses and sources of revenue

I would recommend that owners and employees to acquire enough knowledge on book keeping and accountancy from institutions of management and accounting this would provide an added advantage on how to manage the enterprises resource and more so improving customer satisfactions as well as making strategic decisions on quick short-term investments to boost the small-scale enterprises revenue

Research outcomes have shown clearly that for a business operator to make profit accurate book keeping of business accounts are vital. Research has also indicated that small-scale enterprises financial management and accounts kept are important for the economic growth of this study.

The frequency and quality of training are important while conceptual training was required it was not enough behavior change was fueled by practical context-specific modules (cash book maintenance, invoicing, expense categorization and reconciliation).

Knowledge gap because of time constraints perceived complexity or a lack of basic tools some owners comprehend concepts but fail to apply them in their daily work.

Impact sustainability gains can be sustained with reinforcement through checklists, mentoring and refresher courses.

Make the core curriculum standardized emphasize examples pertinent to local industries as you go over bookkeeping principles, transaction recording cash and bank reconciliation basic statements and compliance fundamentals make use of low-friction instruments focus on daily routines (cash inflows and outflows, sales and purchases) using straightforward paper templates or mobile apps with guided workflows. Provide in iterative modular formats weeks of brief sessions with practical exercises and checklists to complete at home offer assistance with follow-up to overcome book-keeping obstacles try group clinics and peer education or quick one-on-one audits. Complement incentives to promote adoption tie training to tax breaks or eligibility for microloans and targeted outreach give preference to small-scale enterprises with more informality less education or little prior training.

FUTURE RESEARCH

Future research could look into longitudinal designs and objective audits of records as cross-sectional scope and reliance on self-reported measures may restrict causal inference Examine adoption pathways for digital bookkeeping and sector-specific customization. Evaluate the long-term retention effects and cost effectiveness of various training formats.

Research Questionnaires

Dear Respondent

I am Mandre Isaac a student of Uganda Christian University Mukono pursuing a Bachelor in Business Administration specializing in accounting. Presently I'm undertaking research on book keeping and financial performance of small-scale enterprises in Bugujju Trading Centre, Mukono district as a partial fulfilment of requirement for awarding Bachelor degree of business administration in accounting. I respectfully ask that you help me with this research by responding to the following inquires, your information will be handled with the highest confidentiality, I promise.

Section A

Please tick in the appropriate box as the best answer to your opinion in the statements as follows.

1. Gender/sex of the respondent
   a) Male: ☐ b). Female: ☐

2. Age brackets

a)18-25 yrs.' ☐ 26-35yrs ☐ -45yrs ☐ 46-60yrs ☐

3. Education Status

a) Primary ☐ b) secondary: ☐ c) institution ☐ d) None ☐

4. The category of the business you are operating?

☐ ☐

a) Grocery shops:

b) Saloon

e) Boutiques:

c) Restaurants:

d) Electronics shops:

f) Bars

5. What is your status in the business you are operating?

a) Owner:

b) Manager:

c) Employee:

d) Intrapreneur:

6. How much do you earn in a month?..

7. How much on average do you spent in a month?..

SECTION B

Please rate your agreement with the statement that bookkeeping has effects on the financial performance of the small-scale enterprises.

1. Strongly disagree. 2. Disagree. 3. Not sure. 4. Agree. 5. Strongly Agree.

A	Effects of book keeping on financial performance of small-scale enterprises.	1	2	3	4	5
1	Proper book keeping helps to easily access loans from formal and informal financial institutions.					
2	Proper bookkeeping has a promising effect on the general performance of the small-scale enterprise					

3	Proper book keeping minimizes fraud and errors					
4	Proper book keeping gives room for comparative analysis of the enterprise of the same category.					
5	Proper book keeping is part of the legal requirement for tax assessment and computation.					
6	Proper book keeping can result into informed decision making by the business owners.					
7	Proper book keeping enable business owners to easily identify the areas of weakness and improvement					

SECTION C

Examine the challenges associated with book keeping and financial performance of the small-scale enterprises**.** Please tick in the appropriate number as your best opinion**.**

A: Not A Challenge   B: Significant Challenge

	Challenges in bookkeeping	**A**	**B**
1	Lack of personal knowledge in bookkeeping		
2	Lack of qualified accountants		
3	High cost of hiring qualified accountants		
4	Time constraints to perform bookkeeping task		
5	Difficulty in understanding tax regulations		
6	High cost of accounting software’s		
7	Difficulty in reconciling bank statements		
8	Cyber concerns with digital records		
9	Fear of audits or penalties tax authorities		
10	Disorganized physical books		

SECTION D

Examine the basic book kept by small-scale enterprises. **Please tick in the appropriate box as the best answer to your opinion in the statements**

1. What is the primary purpose of maintaining a cash book in small-scale enterprises?

a) To record all cash transactions ☐ c) To monitor inventory levels ☐

b) To track employee attendance ☐ d) To document customer complaints ☐

3.Which document is used by small-scale enterprises to track money owed by customers?

a) Sales Ledger ☐ c) Inventory Report ☐

b) Bank Statement ☐ d) Purchase Order ☐

4. What are the major types of books kept in your enterprise?
   a) Cash sales book ☐ c) Expense book ☐

   b) Purchase book ☐ d) General journal book ☐

   c)
5. What type of system do your enterprise employ to keep books?
   a) Electronic automated system ☐

   b) Manual system (paper based) ☐

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