

**FINANCIAL RECORD KEEPING PRACTICES ON GROWTH OF SMALL AND
MEDIUM ENTERPRISES: A CASE STUDY OF KISAASI MARKET, KAMPALA
GAYAZA ROAD**

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M23B33/086

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

March, 2026

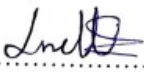


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DECLARATION

Financial record keeping on the growth of Small and Medium Enterprises; a case study of Kisaasi market, Kampala Gayaza road. I, Ines Simon Peter, hereby declare that this research is my original work and it has never been presented for any award in an institution . I have reviewed the University policies regarding plagiarism and I therefore certify that I have followed them all.

Signature..... 

Date..... 16th /03/2026

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APPROVAL

This acknowledges that I oversee the completion of the research report titled “Financial record keeping practices on the growth of Small and Medium Enterprises, a case study of Kisaasi market, Kampala Gayaza road” and that it is now prepared for submission to Uganda Christian University’s School of Business.

Signature 

Date 16/3/2026

DR. MUGISHA HENRY

(Supervisor)

DEDICATION

I would like to dedicate my effort to my parents, Dr. Mugisha , who have endeavored to support me academically. May you be blessed by the Almighty heavenly God.

ACKNOWLEDGEMENT

I am grateful for the Almighty God for the gift of life and guiding through my academic journey which was full of difficulties but is still attainable. I appreciate the hard work that my supervisor , Dr.Mugisha Henry has provided me under his care.

Ultimately, I am thankful to my parents Mr. Simon and Mrs. Cecilia,for the love ,financial assistance given to me throughout my education journey.

Blessings to you all. .

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ABSTRACT

This study investigated the effect of financial record-keeping practices on the growth of SMEs in Kisaasi Market. Specifically, it assessed the influence of daily sales records, profit and loss records, and expense records on SME growth indicators such as sales increase, profit improvement, business expansion, employment growth, asset accumulation, customer base expansion, and perceived benefits from record-keeping.

The research adopted a descriptive cross-sectional design with a quantitative approach. The target population comprised 80 registered SMEs in Kisaasi Market. Using Yamane's formula, a sample of 56 respondents was selected through purposive and simple random sampling.

Correlation analysis showed significant positive relationships between all three record-keeping practices and SME growth ($r = 0.58$ for daily sales, $r = 0.64$ for profit/loss, $r = 0.55$ for expenses; all $p < 0.01$). Multiple regression results indicated that the three practices jointly explained 48.2% of the variance in SME growth ($R^2 = 0.482$, $p = 0.000$). Profit and loss records exerted the strongest influence ($\beta = 0.38$, $p = 0.001$), followed by daily sales records ($\beta = 0.29$, $p = 0.010$) and expense records ($\beta = 0.22$, $p = 0.046$).

The study concludes that financial record-keeping practices significantly and positively influence SME growth in Kisaasi Market, with profit and loss records playing the most critical role. However, persistent gaps in formal profit tracking and expense discipline limit faster expansion and employment creation.

Recommendations include: (1) SME owners adopting simple monthly profit summaries and separating personal/business funds; (2) market associations organising short practical training sessions; (3) government providing free basic record-keeping tools and simplified tax education; and (4) financial institutions accepting simple records for small loans. These targeted interventions could strengthen financial discipline and accelerate SME growth in similar informal urban markets.

CHAPTER ONE

INTRODUCTION

1.1 Introduction

This chapter introduces the topic under study, Financial Record keeping Practices on growth of Small and Medium Enterprises. A case study of Kisaasi market, Kampala Gayaza Road. This chapter provides an overview of the study including its background of the study, problem statement, objectives, conceptual framework and key definition of the study.

1.2 Background of the Study

The Uganda economy is dependent on Small and Medium Enterprises. These enterprises employ 2.5 million employees. In addition, these enterprises are made up of more than 90% of private businesses. Uganda Investment Authority (UIA 2023). The Small and Medium Enterprises provide 80% of manufactured goods. In addition, these enterprises seem to provide 20% of the Development Finance Report, 2025. Therefore, they are known as growth engines.

Although these enterprises are many, they are facing challenges that hinder their growth. The first challenge is poor financial record keeping. The majority of these enterprises are not keeping any records concerning their sales, expenses, and profits. Therefore, they are unable to plan for the future. In addition, they are unable to know whether they are growing or not. These enterprises are unable to access loans from various banking institutions. The BOU noted that Non Performing Loans (NPLs) in trade and commerce increased to 7.4% in 2024 due to poor record keeping by SMEs (Observer, 2024).

There have been studies done in Uganda that show that keeping records improves business performance. For instance, in Lira Town, business performance among SMEs that kept records was better than that of those that did not keep records (Okello, 2025). In another instance, in the Mukono municipality, safe filing, storage, and retrieval of records improved business by improving financial performance (Nakayiza, 2023). In another instance, in the Kasese district, financial records were found to improve business performance since those that had accurate financial records were better at controlling costs, making profits, and accessing loans compared to those that did not keep accurate financial records (Kabunga, 2025). Kisaasi market, found between Bukoto and Kyanja along Kampala Gayaza road, is a fast growing trading center with

many SMEs involved in retail, wholesale, and service. However, there is very little research done on how SMEs in this market keep their financial records and how this affects their growth. Most research has been done in other places like Lira, Mukono, Kasese , this creates a knowledge gap that this study will address by focusing on financial record keeping practices and their effect on the growth of SMEs in Kisaasi market.

1.3 Statement of the Problem.

Small and medium enterprises (SMEs) in Uganda play a vital role in job creation and income generation. However, they are often small, fragile, and unable to grow. A key reason for this is weak financial record keeping. Many SME owners either keep no records at all or rely on informal methods that cannot give a clear picture of business performance. As a result, they often fail to plan effectively, control costs or qualify for bank loans.

Evidence from different parts of Uganda shows that good record keeping practices support SME growth. For example, in Lira Town, SMEs with proper record keeping reported stronger business performance (Okello, 2015). In Mukono municipality, effective filing and storage of records improved financial outcomes (Nakayiza, 2023). Similarly, in Kasese district SMEs with accurate financial records managed to access credit and increase profitability (Kabunga, 2025). Despite these findings, the BOU continues to note that poor record keeping is a widespread problem contributing to rising non performing loans, which stood at 7.4% in 2024 (Observer 2024)

However, most of the available studies have focused on other areas, with little attention given to those operating in Kisaasi market, a busy and growing commercial hub along the Kampala gayaza road. It is therefore not clear how SMEs in Kisaasi market handle their financial records or how such practices influence their growth. This knowledge gap makes it difficult for business owners, policy makers, and financial institutions to design interventions that meet the needs of SMEs in this area. This study therefore seeks to examine the effect of financial record keeping practices on the growth of SMEs in Kisaasi market.

1.4 Purpose of the Study

The purpose of this study was to examine how financial record keeping practices affect the growth of SMEs in Kisaasi market, located along Kampala Gayaza road. It seeks to provide a better understanding of the types of record keeping practices used by SME owners in Kisaasi market, the challenges they face in maintaining proper records and how these practices influence their ability to grow. The findings are expected to guide SME owners, policy makers, and financial institutions in designing strategies that strengthen record keeping and support the growth of small businesses in Uganda.

1.5 Specific Objectives

The objectives of the study were ;

- i) To assess the effect of daily sales records on the growth of Small and Medium Enterprises in Kisaasi market.
- ii) To assess the effect of profit and loss records on the growth of Small and Medium Enterprises in Kisaasi market.
- iii) To examine the effect of expense records on the growth of Small and Medium Enterprises in Kisaasi market.

1.6 Research Questions

- i) What are the different ways in which daily sales records are recorded by Small and Medium Enterprises owners in Kisaasi?
- ii) How does profit and loss record keeping relate to Small and Medium Enterprises growth in Kisaasi market?
- iii) What impact does maintenance of expense record pose on the growth of Small and Medium Enterprises in Kisaasi market?

1.7 Scope of the Study

This scope is confined to geographical, time and content scope.

Geographical scope

The study was carried out in Kisaasi market, located between Bukoto and Kyanja along Kampala Gayaza road. This area has been selected because it is a growing business hub with many SMEs, yet little research has been conducted there.

Content Scope

The study mainly examined financial record keeping practices and their effect on the growth of SMEs. It will also look at the challenges that SME owners face in keeping proper records.

Time Scope

The study covered a period from 2015-2025 since this period has seen significant growth of SMEs in Uganda, alongside government and institutional effects to support small businesses.

1.9 Justification of the study.

The growth of SMEs in Kisaasi market is still uncertain, with many struggling to expand due to poor financial management practices such as record keeping and inadequate monitoring of business transaction. Although simple tools such as notebooks, spreadsheets and even affordable digital solutions exists to support proper record management, their actual use and contribution to SME growth in this area remains uncertain. This gap makes it difficult to understand whether the financial struggles of SMEs in Kisaasi are as a result of weak practices, lack of awareness or failure to adopt available tools

This study must therefore be carried out to provide evidence on how financial record keeping practices affect the growth of SMEs in Kisaasi market. If it is not undertaken, SMEs may continue operating without reliable financial information, exposing them to persistent challenges such as poor decision making, low access to credits, and limited competitiveness. At the same time, policy makers and financial institutions will lack sufficient evidence to design effective strategies that can strengthen the growth and sustainability of SMEs in urban markets like Kisaasi.

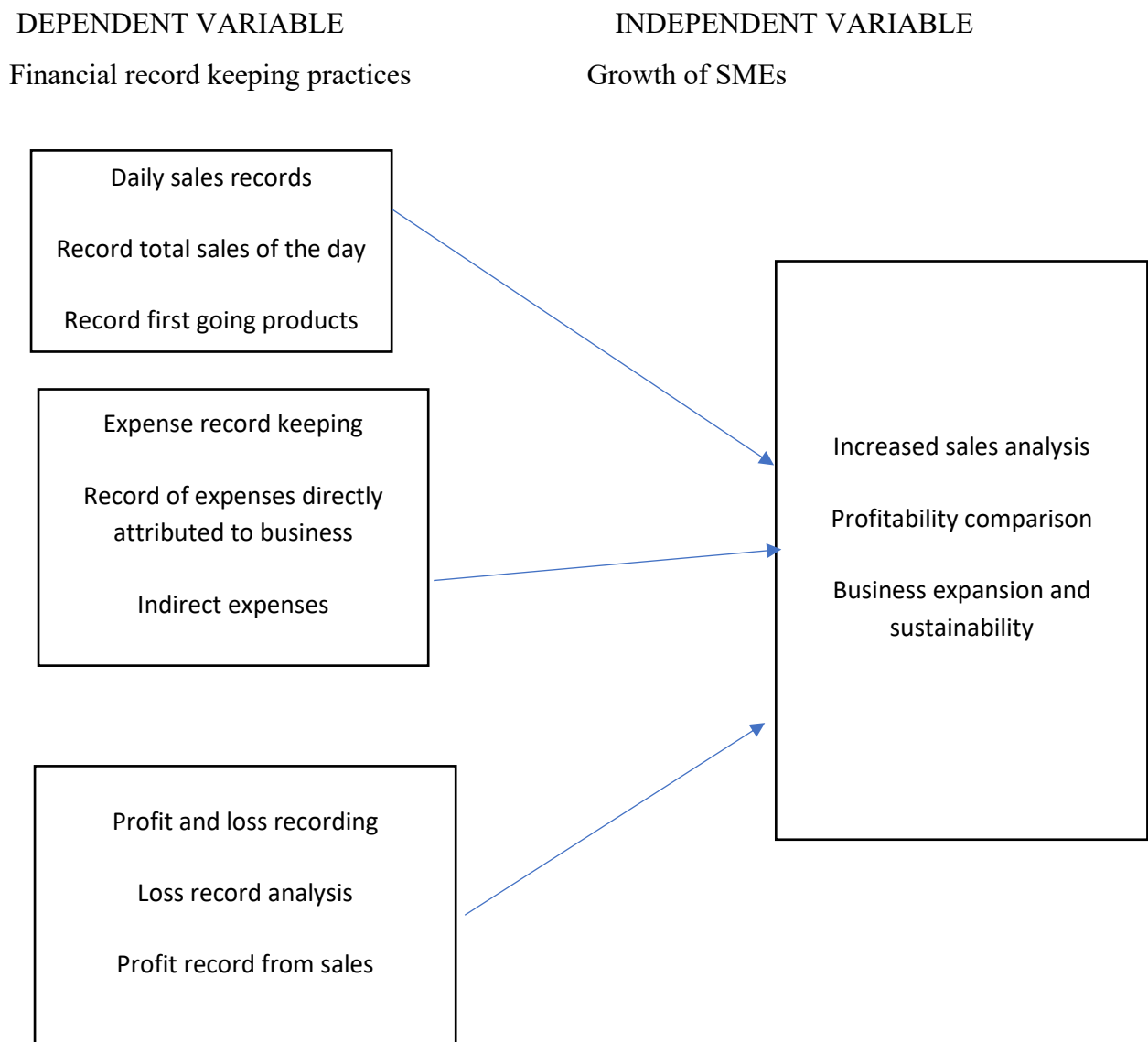
1.10 Significance of the study.

It is expected that the findings of this study would be of use to policymakers such as the Ministry of Trade, Industry, and Cooperatives (MTIC), URA, as well as other organizations that support SME development.

It is also expected that this study would be of use to practitioners, specifically owners and managers of Small and Medium Enterprises in Kisaasi Market. By shedding new light on the relationship between financial record keeping and business growth, it is expected that this study would provide new insights that would encourage improved practices.

It is also expected that this study would be of significance to other scholars or researchers who are interested in areas related to SME development, financial management, as well as informal sector studies. This is because the case of Kisaasi Market would offer a new contribution to knowledge as it would provide new findings that would act as a reference to other studies in related areas.

1.11 Conceptual Framework



Adapted from Namutebi (2019) and modified by the researcher

The study was premised on the assumption that the financial record keeping practices of Small and Medium Enterprises shape the growth of SMEs. As seen above Financial record keeping practices is the independent variable in this study. Financial record keeping practices may entail keeping records of sales, profit or loss accounts, and the use of technology such as a spreadsheet.

The dependent variable is the growth of Small and Medium Enterprises. The growth of SMEs may manifest in the expansion of the business, increased sales, profitability, and sustainability.

The study also assumes that the adoption of proper financial record keeping practices by SMEs is likely to result in the growth of SMEs. However, the relationship may not hold in the presence of obstacles such as a lack of skills and low level of awareness and attitudes towards the use of technology.

CHAPTER TWO

LITERATURE REVIEW

2.1 Introduction

The literature reviewed based on the goal of the study is discussed in this chapter. The selection of literature has been carried out based on various themes regarding financial record-keeping practices for Kisaasi Market and the growth of Small and Medium Enterprises. This chapter is dedicated to a review of literature regarding financial record-keeping practices and their influence on the growth of small and medium enterprises. The aim of this literature review is to create a theoretical and empirical understanding regarding how record management can influence the performance and growth of Small and Medium Enterprises.

The literature has been drawn from various books, journals, research publications, and online publications regarding the theme of interest. The literature has been reviewed under various key areas such as theories regarding record-keeping and growth, concepts regarding key variables under study, research findings, and gaps in existing knowledge.

Through this literature review, it is important to note what has already been found by other scholars and what has not been explored, especially regarding SMEs within Kisaasi Market along the Kampala-Gayaza Road.

2.2 Theoretical Review

The analysis of the financial record-keeping practices and the resultant effect on the development of Small and Medium Enterprises (SMEs) may be effectively conceptualized through the application of the Resource-Based View (RBV) of the firm. The RBV is a strong theoretical framework for the analysis of how internal organizational practices, such as diligent financial record-keeping, may be transformed into a strategic asset for the development of the firm. The RBV was first conceptualized by Barney (1991). The RBV asserts that the internal resources and capabilities of the firm are the true sources of competitive advantage for the firm and not external market factors. For a resource to qualify as a source of competitive advantage, it must also be valuable, rare, inimitable, and non-substitutable.

In the context of SMEs in markets such as Kisaasi, the financial records of the firm, including sales records, expense records, and profit and loss records, may be conceptualized as a source of internal resources.

In that respect, it becomes evident that when appropriately kept, these records become valuable because they offer the entrepreneur useful insights that are crucial for effective decision-making. As indicated by empirical literature, appropriately kept sales records allow an entrepreneur to identify fast-moving goods and direct working capital towards them, thereby increasing profit margins (Okello, 2021). On the other hand, tracking of expenses allows for effective control of costs, which directly impacts profitability (Kaggwa & Lumu, 2020).

In addition, although record-keeping is a common phenomenon among businesses, appropriately kept financial records that are consistent, accurate, and integrated* are relatively rare for SMEs, especially in informal market environments. As indicated by empirical literature, most SMEs in Uganda, for instance, still use informal methods of record-keeping, which includes memory or verbal notes (Namutebi, 2019). As a result, most of them lose revenues and are unable to assess their actual performance. The ability of an entrepreneur to systematically record all transactions and prepare periodic financial summaries is a skill that is relatively rare. It is evident that this is part of the RBV theory, which indicates that SMEs that develop this skill will be able to perform better than the numerous competitors that do

The record-keeping skill is also hard to imitate because it cannot be found as a distinct skill. It is part of the managerial practices and financial discipline of the owner. It requires a paradigm shift in the way of thinking towards transparency and a strategic thinking approach. A competitor can easily imitate a product or a store design. It is not easy for a competitor to imitate the financial discipline and knowledge management system of a company that provides accurate financial information. This inimitability of the skill provides a shield for the SME that excels in record-keeping. The information derived from accurate financial records is non-substitutable. There is no other skill that can provide the same accurate and comprehensive information required for critical business functions such as obtaining a bank loan, planning for business expansion, and determining the profitability of a new product line (Mukasa, 2020; Kato, 2022).

Thus, from the RBV perspective, financial record keeping emerges as a practice that not only transcends its mundane nature but also assumes strategic importance. An SME at Kisaasi Market that excels in the practice possesses a differentiated bundle of resources that equips it with the capability to manage its cash flows, take informed investment decisions, and create a plausible profile with financial institutions. This, in turn, drives its potential to grow, expand, and sustain itself in a competitive environment, thereby linking an internal practice with an external business growth outcome.

2.3 Empirical Review

Financial record-keeping is recognized globally as an essential aspect of effective Small and Medium Enterprises (SMEs), especially in developing countries like Uganda. This section presents an empirical review of literature grouped around three specific objectives of sales record-keeping, profit/loss, and expenditure record-keeping in fostering SME growth. It is based on literature reviewed from various empirical studies carried out in Uganda.

2.3.1 Sales Record-Keeping and Growth of SMEs

Record-keeping of sales, which refers to the systematic documenting of daily sales transactions, is crucial in understanding the financial status of an enterprise. Various empirical findings from Uganda strongly support that record-keeping of sales is highly correlated with improved performance and growth of SMEs. A study by Namutebi (2019) among market traders in Kampala found that most (68%) of small enterprises that kept daily sales records reported improved business turnover over a two-year period. This helped them monitor sales trends and evaluate performance effectively, unlike those that did not keep sales records and therefore found it hard to control stock and evaluate performance.

This is supported by findings from Okello (2021), who conducted a study in Wakiso District, revealing a positive relationship between sales documentation and business expansion. This meant that SMEs that maintained sales documentation were able to identify products that were moving quickly, hence improving profit margins.

However, it is also clear that not all SMEs in Uganda, especially those in informal business in areas such as Kisaasi, have adopted this way of doing business, even when it is clear that it would greatly benefit their businesses. This is supported by a report from the Uganda Small Scale Industries Association (USSIA), which indicates that more than 60% of SMEs in Uganda

do not maintain accurate records. This implies that most business owners rely on their memories or just write down information in their minds, as indicated by business owners who claim that their business information is "all in my head." This has brought about a number of challenges, including an inability to keep accurate records of daily business transactions, which leads to a loss of revenues as well as a lack of accurate information regarding business performance, thus negatively impacting long-term business sustainability. In addition, a lack

2.3.2 Profit and Loss Recording and Growth of SMEs

The process of recording profits and losses involves summarizing the revenues and expenditures of a business over a given period of time in order to determine the net income. This process is of critical importance for entrepreneurs as they need to understand their financial position and inefficiencies in order to make strategic decisions. According to research carried out in the Mukono municipality by Mukasa (2020), SMEs that made monthly or quarterly profit and loss statements were more likely to invest in their businesses. Conversely, those SMEs that failed to do so often faced financial instability as they mixed their personal and business expenditures.

According to Kato (2022), accurate profit and loss statements helped SME owners identify profitable products and those that were not profitable in order to stop production, a factor that contributed to strategic growth.

The absence of such records is detrimental and may also be misleading. Namutebi (2019) cautioned that the absence of profit and loss tracking may create a false sense of success in the SMEs because the unrecorded expenses may quietly accumulate and outweigh the revenues. Such a misconception may have contributed to the premature collapse of some SMEs in Uganda .

The failure to record the financial performance may also mean the SMEs are missing out on the chances available because of the absence of such records. Experts have noted that the absence of such records means the SMEs are unable to attract any potential investor or financial partners . Moreover, in the event of an audit by the URA, the absence of proper profit and loss records may mean the SME is slapped with a high tax bill, which may further cripple the SME. The ability of an SME to present clear financial records is also related to its external implications.

2.3.3 Expense Record-Keeping and Growth of SMEs

The keeping of expense records, which entails the monitoring of all business expenses, is an essential tool for effective cost management and maximization of profitability. The documentation of all business expenses is crucial since it ensures that there is no mismanagement. In their study, Kaggwa and Lumu (2020) found that business owners who kept track of their daily expenses stood a better chance of managing their expenses and improving profitability.

In another study, Okello (2021) found that traders who kept track of their expenses using tools such as receipts or expenditure notebooks showed better cash flow management patterns and had higher growth rates than traders who did not keep track of their expenses. The constant monitoring of business expenses allows for early detection of any budgetary discrepancies. For example, a Ugandan shop owner was able to realize a 45% increase in transport costs through digital tools, which would have remained unnoticed. In spite of these facts, poor expense management has remained one of the biggest challenges and a "silent killer" of businesses in Uganda, where up to 90% of businesses fail before their fifth anniversary.

This is because Mukasa (2020) observed that many small business owners do not know how to differentiate between personal and business spending. In essence, it becomes hard to assess profitability as well as prepare for taxation. In informal markets such as Kisaasi, record-keeping is not taken as a priority activity, especially due to sales and stock replenishment. The effect is not only on internal management but also on compliance with URA regulations as well as supplier relations. The money lost through uncontrolled or untracked spending could have been used as a catalyst for business growth. Therefore, it can be concluded that uncontrolled spending hinders business growth.

2.3.4 Literature summary

The reviewed literature has consistently shown that the application of appropriate financial record-keeping practices has a positive influence on the growth and sustainability of SMEs in Uganda. Studies by Namutebi (2019) and Okello (2021) showed that the application of sales records by business owners is essential in monitoring business performance and the efficient allocation of resources. Similarly, studies by Kagawa & Lumu (2020) and Mukasa (2020) emphasized the importance of tracking business expenses and profits in promoting financial discipline, thereby encouraging business growth through reinvestment.

Although the studies have been instrumental in promoting the importance of financial record-keeping in the growth and sustainability of SMEs in Uganda, there are gaps that need to be addressed in the proposed study. Firstly, the geographical scope of the studies that have been conducted so far has been in documented business environments such as Kampala Central Business District, Wakiso, and Mukono. However, there is a need to conduct empirical research in the SMEs operating in the Kisaasi Market, located along the Kampala-Gayaza Road, an important commercial route in the region that has not been adequately documented in the context of financial record-keeping practices. Secondly, the studies that have been conducted so far have focused

As far as contextual barriers are concerned, though the prevalence of informal record-keeping practices has been well established in the literature, little research has been conducted on the specific barriers that traders in markets such as Kisaasi may face in the adoption of formal financial practices, such as a lack of education, time constraints, and the unavailability of affordable tools. Finally, little research has been conducted on what record-keeping models may be most effective for SME owners in an informal market context.

The present study therefore seeks to fill some of the gaps in the literature by examining the financial record-keeping practices of SMEs in Kisaasi Market in particular and their implications for business growth, with the unique context in mind.

CHAPTER THREE

METHODOLOGY

3.1 Introduction

This chapter presents an explanation of the methods and procedures to be employed in carrying out the study on “Financial Record-Keeping Practices and the Growth of Small and Medium Enterprises: A Case Study of Kisaasi Market, Kampala-Gayaza Road.” It includes a discussion of the research design, population, sample size, sampling technique, data sources, data collection methods, data collection procedure, validity, and reliability.

3.2 Research Design

The researcher used a descriptive research design that incorporates quantitative and qualitative approaches in this study. This is an ideal type of research for this study as it enabled the researcher to describe, analyze, and interpret the relationship that exists between financial record-keeping practices and the growth of small and medium-sized enterprises.

Quantitative approach and qualitative approach were integrated in this study’s research design. “The quantitative analysis of observing events using mathematical, statistical, and computing techniques is referred to as quantitative research methodology in social sciences (Trochim, 2006). Quantitative research approach is motivated by reliability and objectivity.”

According to Denzin & Lincoln textbook on qualitative research approach, it is stated that “an interpretative naturalistic approach to the world, which means that qualitative research approach attempts to understand events in terms of the meanings that individuals assign to them in their natural form.” Qualitative research approach is justified by its ability to generate information about a certain subject or concept, and its ability to generate information about the study of human behavior. Qualitative research data is obtained through interviews.

3.3 Study Population

The study population comprised of small and medium enterprise owners and managers who operate in the Kisaasi Market, located along the Kampala-Gayaza Road, between Bukoto and Kyanja Towns in Kampala, Uganda. According to the Kisaasi Market Traders’ Association

(2024), there are approximately 80 registered SMEs, excluding boutiques, restaurants, salons, etc. These will be the study population since they are the ones directly involved in the daily financial record-keeping process.

Sample Size

The sample size will be determined using the formula for determining sample size from a finite population:

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

Where:

- n = sample size
- N – represents the population size (80)
- e – Represents the margin of error (0.05)

$$n = \frac{80}{1+80(0.05)^2}$$

It is therefore established that the sample size for this study was 56 respondents who were sampled from different categories of SME owners and managers at Kisaasi Market.

3.5 Sampling Technique

It is established that information which is necessary for the sampling selection is offered by sampling techniques. A comprehensive base of the study sample was got and the population of a well2 -chosen participant pool (Lewis and Richie,2003). Purposive sampling was used to sample SME owners and managers who are directly involved in financial record-keeping, and simple random sampling was used to ensure that every sampled business has an equal chance of being selected, thereby reducing bias and ensuring representativeness of different types of enterprises at Kisaasi Market.

3.6 Data Sources

The study made use of both primary and secondary sources of data. The primary sources of data were obtained directly from the owners and managers of the Small and Medium Enterprises through the administration of questionnaires and semi-structured interviews.

The secondary sources of data were published and unpublished sources such as journal articles, reports, books, and existing records from the Kisaasi Market Traders' Association and the Ministry of Trade, Industry, and Cooperatives.

The use of both sources of data will ensure that the study findings are accurate, reliable, and supported by the existing literature.

3.7 Data Collection Methods

The study made use of two main data collection methods, which included the use of questionnaires and semi-structured interviews.

The use of questionnaires is a technique for obtaining information from the respondents that makes use of standardized questionnaires (Mugenda & Mugenda 2003).

The study made use of questionnaires to collect data from the owners and managers of the SMEs to collect both quantitative and qualitative data concerning the financial record-keeping practices and the influence of the same on business growth.

The study also made use of semi-structured interviews to collect both qualitative and quantitative data.

3.8 Data Collection Procedure

Before collecting the data, the researcher obtained an introductory letter from the School of Business at Uganda Christian University. The introductory letter was used by the researcher as they present themselves to the local market authorities and leaders at Kisaasi Market. The researcher sought permission from these authorities and leaders to conduct the research.

Once permission was obtained, the researcher personally went to Kisaasi Market and deliver questionnaires and conduct interviews with the selected respondents. The researcher informed the respondents about the purpose of the research, and they were asked to voluntarily participate.

3.9 Validity and Reliability of Instruments

3.9.1 Validity

Validity is defined as the “degree to which a research instrument measures what it is intended to measure.” To ensure validity, the researcher sought input from the supervisor and two experts from the School of Business. The input was used by the researcher to refine and improve the research instruments. The Content Validity Index (CVI) was used as a guide. The research instruments shall be deemed valid if they achieve a CVI of 0.7 or above.

3.9.2 Reliability

Mugenda & Mugenda (2003) defined reliability as the point at which a research tool is able to produce consistent data after repeated trials. It should also be able to measure what it is supposed to measure in terms of consistency. To determine the reliability of the research tool, a pilot study was conducted on 10 SME owners in Kyanja Market, which is similar in characteristics to Kisaasi Market. The data collected from the pilot study was analyzed using Cronbach’s Alpha coefficient. If the coefficient is 0.7 and above for 2 instruments, then the research tool is said to be reliable. The coefficient was found to be 0.79 which was above the 0.7 recommended by Amin 2005.

3.10 Data Analysis

The returned questionnaires were checked for completeness and accuracy. The data was coded and entered into the SPSS software. Descriptive statistics was employed in summarizing the data. These include frequencies, percentages, means, and standard deviation. In addition, the results will be presented in the form of tables and charts. On the other hand, inferential analysis

was employed in the analysis of the results. Specifically, Pearson product moment correlation was employed in analyzing the results in relation to the variables of the research.

Multiple regression analysis was employed in analyzing the combined and individual effects of the independent variable of the research, namely the credit terms, on the dependent variable of the research, namely the financial performance of the company. Significance level of the analysis will be at 0.05.

3.11 Ethical Considerations

The ethical considerations of the research were as follows: voluntary participation and informed consent of the respondents was obtained. The respondents were ensured of anonymity and confidentiality of the responses. The right of the respondents to withdraw at any given time was made known.

CHAPTER FOUR

PRESENTATION, ANALYSIS AND INTERPRETATION OF FINDINGS

4.0 Introduction

This chapter discusses the presentation, analysis, and interpretation of the primary data collected from owners and managers of SMEs in Kisaasi Market. The data was collected through 50 questionnaire forms representing a response rate of 89.3%. The findings are presented in table form, and the explanations are written in clear sentences. These sentences explain the data collected, its meaning in relation to the research objectives on financial record-keeping and SMEs' growth.

4.1 Response Rate

Table 1: Response Rate

| Category | Number | Percentage (%) |
|----------------------------|--------|----------------|
| Questionnaires distributed | 56 | 100.0 |
| Questionnaires returned | 50 | 89.3 |
| Non-responses | 6 | 10.7 |

Source ; primary data 2026

Explanation of Table 4.1

The researcher administered 56 questionnaires to the owners and managers of SMEs at Kisaasi Market. This number was established using Yamane's formula when the researcher knew the population size was 80. Out of 56 questionnaires, 50 were fully completed by the respondents, representing a response rate of 89.3 percent. Only 6 did not respond to the questionnaire, representing 10.7 percent.

A response rate of 89.3% is highly reliable and indicates that most of the targeted business owners were willing to participate in the survey. This was due to the fact that the researcher personally visited the respondents. A high response rate gives the researcher credibility that the findings are a true reflection of the actual situation at Kisaasi Market. Moreover, a high response rate reduces the chances of any bias in the findings.

4.2 Demographic Characteristics of Respondents

Table 2: Demographic Profile of Respondents (n=50)

| Characteristic | Category | Frequency | Percentage (%) |
|----------------------------|---------------------|-----------|----------------|
| Gender | Male | 27 | 54.0 |
| | Female | 23 | 46.0 |
| Age Group | Below 25 | 6 | 12.0 |
| | 25–34 | 18 | 36.0 |
| | 35–44 | 15 | 30.0 |
| | 45–54 | 8 | 16.0 |
| | 55 and above | 3 | 6.0 |
| Highest Level of Education | No formal education | 4 | 8.0 |
| | Primary | 12 | 24.0 |
| | Secondary | 20 | 40.0 |
| | Certificate/Diploma | 10 | 20.0 |
| | Degree | 4 | 8.0 |
| Type of Business | Retail | 22 | 44.0 |
| | Wholesale | 8 | 16.0 |
| | Services | 12 | 24.0 |
| | Food & Beverages | 6 | 12.0 |
| | Other | 2 | 4.0 |
| Years in Operation | Less than 1 year | 5 | 10.0 |
| | 1–3 years | 14 | 28.0 |
| | 4–6 years | 16 | 32.0 |
| | 7–10 years | 10 | 20.0 |
| | More than 10 years | 5 | 10.0 |
| Personally Handles Records | Yes | 42 | 84.0 |
| | No | 8 | 16.0 |

Source ; primary data 2026

Explanation of Table 4.2

More than half of the respondents are male, with 27 people representing 54.0 percent of the sample population, while females make up 23 people or 46.0 percent of the sample population. This shows that there is a small majority of male SME owners at Kisaasi Market. Regarding age, it is evident that most of the respondents fall within the age bracket of 25-34 years, with 18 people or 36.0 percent of the sample population, while those falling within the age bracket of 35-44 years make up 15 people or 30.0 percent of the sample population. Thus, these two categories of age make up 66.0 percent of the sample population. Only 6 people or 12.0 percent of the sample population are below 25 years of age, while very few, only 3 people or 6.0 percent of the sample population, are 55 years of age or older. This shows that the study represents views of young and middle-aged business owners.

Regarding education levels, it is evident that most of the respondents have attained secondary education, with 20 people or 40.0 percent of the sample population having attained secondary education, while primary education makes up 12 people or 24.0 percent of the sample.

Businesses at the retail level dominate, making up 22 respondents or 44.0 percent, followed by services at 12 people or 24.0 percent. Wholesale businesses follow at 8 people or 16.0 percent, food and beverages at 6 people or 12.0 percent, and then other businesses at 2 people or 4.0 percent.

In terms of business experience, most businesses have been in operation for 4 to 6 years, making up 16 people or 32.0 percent of the sample. Those that have been in business for 1 to 3 years follow closely at 14 people or 28.0 percent. Therefore, 60.0 percent of the businesses have been in operation for 1 to 6 years, indicating that most businesses are at their early stages of development. Only 5 businesses, or 10.0 percent, have been in operation for less than a year, while another 5 businesses, or 10.0 percent, have been in operation for more than 10 years.

4.3 Descriptive Statistics

4.3.1 Daily Sales Records (Objective 1)

Table 4.3

Table 3: Descriptive Statistics – Daily Sales Records (n=50)

| No | Statement | Mean | Std. Dev. | Interpretation |
|----|---|-------------|-------------|----------------|
| 1 | Record every sale each day | 3.82 | 0.95 | High |
| 2 | Record cash and mobile money separately | 3.48 | 1.12 | High |
| 3 | Know daily total sales at end of day | 3.96 | 0.88 | High |
| 4 | Compare sales with previous days/weeks | 3.24 | 1.05 | Moderate |
| 5 | Record fast/slow-moving items | 3.10 | 1.18 | Moderate |
| | Overall Mean | 3.52 | 1.04 | High |

Source ; primary data 2026

Explanation of Table 4.3

The overall mean for daily sales records is 3.52, which is high. This implies that most SME owners in Kisaasi Market keep daily sales records. However, the highest mean is 3.96 for knowing daily total sales at the end of the day, implying that most of the respondents know their sales on a daily basis. Recording every sale made during the day has a high mean of 3.82, implying that most of the businesses keep records of their daily sales. Separating cash sales from mobile money sales also has a high mean of 3.48, implying that most of the respondents keep separate records for separate types of sales.

Comparing sales with previous days or weeks has a lower mean of 3.24, which is moderate. This implies that fewer respondents keep records of their sales compared to previous days or weeks. Recording fast-moving and slow-moving items has the lowest mean of 3.10, which is also moderate, implying that fewer businesses keep records of their fast-moving and slow-moving items.

Thus, these findings support Objective 1 in that daily sales records are good in basic skills like recording transactions and computing totals, but are poor in analytical skills like comparing

sales trends and classifying products. It indicates that although sales recording is useful in tracking sales for growth, it is not as useful in planning for business growth.

4.3.2 Profit and Loss Records

Table 4.4

Table 4: Descriptive Statistics – Profit and Loss Records (n=50)

| No | Statement | Mean | Std. Dev. | Interpretation |
|----|---|-------------|-------------|-----------------|
| 6 | Calculate profit/loss monthly | 2.94 | 1.20 | Moderate |
| 7 | Prepare simple P&L summary | 2.68 | 1.15 | Moderate |
| 8 | Know highest-profit products | 3.12 | 1.08 | Moderate |
| 9 | Use profit records for reinvestment | 2.80 | 1.22 | Moderate |
| 10 | Show profit/loss trend over 6–12 months | 2.56 | 1.19 | Low |
| | Overall Mean | 2.82 | 1.17 | Moderate |

Source ; primary data 2024

Explanation of Table 4.4

The overall mean for profit and loss records is 2.82. This shows that the practice of profit and loss recording among SME owners in Kisaasi Market is moderate. The highest mean for any of the statements is 3.12 for identifying the most profitable products. This shows that some of the owners have a general idea of what products are most profitable. Calculating profits or losses on a monthly basis has a mean of 2.94, which is moderate. This shows that only some of the business owners do this. The mean for using the records of profits for reinvesting in the business is 2.80. This shows that the records of profits are not often used for this purpose. The mean for preparing a simple profit and loss summary is 2.68. This shows that few of the owners prepare this. The lowest mean of all the statements is 2.56 for showing trends of profits and losses over a period of six to twelve months.

The range of standard deviation values from 1.08 to 1.22 implies different opinions and practices from the respondents. These findings are related to the second objective because they reveal the gaps in profit recording. These findings imply that poor profit tracking may influence the ability of SMEs in Kisaasi Market to effectively plan for the expansion of their businesses.

4.3.3 Expense Records (Objective 3)

Table 5: Descriptive Statistics – Expense Records (n=50)

| No | Statement | Mean | Std. Dev. | Interpretation |
|----|--|-------------|-------------|-----------------|
| 11 | Record all business expenses | 3.38 | 1.10 | Moderate |
| 12 | Keep receipts/notes for expenses | 3.16 | 1.14 | Moderate |
| 13 | Separate business from personal expenses | 2.92 | 1.25 | Moderate |
| 14 | Review expenses to reduce costs | 2.74 | 1.18 | Moderate |
| 15 | Know major monthly expenses | 3.50 | 0.98 | High |
| | Overall Mean | 3.14 | 1.13 | Moderate |

Source ; primary data 2024

Explanation of Table 4.5

The overall mean for expense records is 3.14, which is a moderate level. Therefore, the level of expense tracking in SMEs in Kisaasi Market is average. The highest mean is 3.50 for knowing the major expense of the month. Therefore, the majority of the owners are aware of their major expenses such as rent or stock purchased. Recording of all the business expenses is 3.38, which is also a moderate level. Therefore, the majority of the owners are trying to record their expenses but not comprehensively. Keeping receipts or notes on the expense is 3.16, which implies that the majority are keeping some records of the expenses. Separating business from personal expenses is the lowest at 2.92, which implies that the majority are mixing the two. Reviewing the expense in order to reduce the costs is the lowest mean at 2.74. Therefore, the majority are not trying to reduce the costs.

The standard deviation ranges from 0.98 to 1.25. Therefore, the findings are addressing the third objective since the majority are aware of the expense but not the expense control. Therefore, the majority could improve the expense record in order to reduce the costs and improve the business.

4.3.4 SME Growth (Dependent Variable)

Table 6: Descriptive Statistics – SME Growth (n=50)

| No | Statement | Mean | Std. Dev. | Interpretation |
|----|--------------------------------|-------------|-------------|-----------------|
| 1 | Sales increased | 3.68 | 1.02 | High |
| 2 | Profits grown | 3.22 | 1.11 | Moderate |
| 3 | Business expanded | 3.10 | 1.20 | Moderate |
| 4 | Employees increased | 2.88 | 1.15 | Moderate |
| 5 | Assets increased | 3.04 | 1.08 | Moderate |
| 6 | More customers/larger area | 3.46 | 0.99 | Moderate |
| 7 | Record keeping helped growth | 3.80 | 0.92 | High |
| 8 | Accessed credit due to records | 2.76 | 1.25 | Moderate |
| | Overall Mean | 3.24 | 1.09 | Moderate |

Source ; primary data 2026

Explanation of Table 4.6

The overall mean for the SMEs' growth is 3.24, which is moderate. This implies that the SMEs in Kisaasi Market are growing but not at a very fast rate. The highest mean is for the belief that record-keeping can help the growth of the business, at 3.80, implying that most respondents consider it to be an important aspect for the success of their business. The mean for the sales growth is 3.68, which is high, implying that most of the businesses in the market are growing in terms of sales revenue. The mean for gaining more customers or expanding to larger areas is 3.46, which is moderate, implying that the market is expanding but to some extent.

The profits have a mean of 3.22, implying that most business owners in the market are growing in terms of profits, but at a slow rate. The mean for business expansion is 3.10, implying that few business owners in the market have expanded their business in terms of the number of products or the business area. The mean for assets growth is 3.04, implying that most business owners in the market are growing in terms of assets but at a slow rate. The standard deviations range from 0.92 to 1.25, indicating varied experiences among the respondents. Overall, the

findings indicate SMEs' growth as the dependent variable and link to all the objectives of the study by showing the impact of record-keeping on varied aspects of business development.

The findings suggest that while record-keeping is essential for revenue growth and business success, its impact on business expansion, employment creation, and access to credit is low.

4.5 Correlation Analysis

Table 7: Pearson Correlation Matrix

| Variable | Daily Sales Records | Profit/Loss Records | Expense Records | SME Growth |
|---------------------|---------------------|---------------------|-----------------|------------|
| Daily Sales Records | 1.000 | | | |
| Profit/Loss Records | 0.52** | 1.000 | | |
| Expense Records | 0.48** | 0.61** | 1.000 | |
| SME Growth | 0.58** | 0.64** | 0.55** | 1.000 |

**p < 0.01 (2-tailed)

Explanation of Table 4.7

The results from the Pearson correlation analysis show the relationship between the different variables in the study. The daily sales records show a positive correlation with profit/loss records ($r = 0.52$) and expense records ($r = 0.48$). The profit/loss records show a strong correlation with expense records ($r = 0.61$). The daily sales records also show a positive correlation with SME growth ($r = 0.58$). The profit/loss records show the strongest correlation with SME growth ($r = 0.64$). The expense records also show a positive correlation with SME growth ($r = 0.55$). All the correlations are positive and significant at $p < 0.01$. The table supports the study's objective by indicating the relationship between financial record-keeping and SME growth.

Regression Analysis

In order to further investigate the effect of financial record-keeping on SME growth, multiple linear regression analysis was carried out.

Model Summary: $R=0.694$, $R^2=0.482$, Adjusted $R^2=0.448$. The R^2 value indicates that approximately 48.2% of the variance in SME growth can be explained by the independent variables.

ANOVA Results: $F=14.28$, $Sig.=0.000$. These results confirm that the regression model is statistically significant. These results support the correlation analysis that financial record-keeping practices, as a whole, significantly influence SME growth.

Table 8: Regression Coefficients

| Variable | Unstandardized B | Std. Error | Standardized Beta | t | Sig. |
|---------------------|------------------|------------|-------------------|-------|-------|
| (Constant) | 0.912 | 0.372 | | 2.452 | 0.018 |
| Daily Sales Records | 0.268 | 0.100 | 0.29 | 2.680 | 0.010 |
| Profit/Loss Records | 0.354 | 0.104 | 0.38 | 3.423 | 0.001 |
| Expense Records | 0.198 | 0.097 | 0.22 | 2.041 | 0.046 |

Dependent Variable: SME Growth

Explanation of Table 4.8

From the regression output, it is clear how each of the record-keeping practices contributes to SME growth. The intercept value is 0.912, $t=2.452$, $p=0.018$, which is the level of growth in the absence of record-keeping practices.

Daily Sales Records: $B=0.268$, $\beta=0.29$, $t=2.680$, $p=0.010$. This indicates that daily sales records are significant for SME growth.

Profit/Loss Records: $B=0.354$, $\beta=0.38$, $t=3.423$, $p=0.001$. This indicates that profit/loss records are the most significant predictors of SME growth.

Expense Records: $B=0.198$, $\beta=0.22$, $t=2.041$, $p=0.046$. This indicates that expense records are significant but of low value compared to other variables.

The model accounts for 48.2% of the variance in SME growth, indicating that financial record-keeping practices are significant for SME growth. This directly answers the objectives of the study, indicating the positive and significant effects of daily sales records, profit/loss records, and expense records on SME growth in Kisaasi. Profit/loss records are the most significant predictors of SME growth.

CHAPTER FIVE

SUMMARY, DISCUSSION, CONCLUSIONS AND RECOMMENDATIONS

5.0 Introduction

The final chapter is a summary of the entire study, an analysis of the findings in the context of the earlier literature and the objectives of the study, conclusions drawn from the findings, and recommendations for the subject matter. It also points out the contribution of the study and indicates avenues for further research.

5.1 Summary of the Study

The study set out to investigate the relationship between financial record-keeping practices and SME growth in the study area, Kisaasi. The findings were analyzed through the use of descriptive statistics, correlation, and multiple regression analysis in SPSS 26 software. The reliability of the scales used in the study was ensured through the application of Cronbach's alpha, where all the coefficients were found to be above 0.70.

The findings of the study were that:

Descriptive Results: The highest mean score was found in daily sales records, at 3.52, followed by moderate scores in profit/loss records (2.82) and expense records (3.14). SME growth was also found to be moderate, with improvements in sales and benefits from the practice.

Correlation Results: All three methods of keeping the records had positive and significant correlation with the growth of the SMEs, i.e., daily sales, profit/loss, and expenses had correlation values of 0.58, 0.64, and 0.55, respectively.

Regression Results: The three practices collectively explained 48.2% of the variance in SME growth. The profit/loss records had the strongest influence on SME growth ($\beta=0.38$, $p=0.001$), followed by daily sales records ($\beta=0.29$, $p=0.010$) and expense records ($\beta=0.22$, $p=0.046$).

The results validate the importance of financial record-keeping practices in SME growth. Profit/loss records are the most important practice in this regard. The results directly answer the research questions and pave the way for recommendations in the following sections.

5.2 Discussion of Findings

5.2.1 Daily Sales Records and SME Growth

It was established that daily sales records were practised at a relatively high level (mean=3.52). It was evident that most of the respondents were consistent with trend analysis and classified items as fast or slow-moving, although few respondents were engaged in trend analysis and classifying items. It was established that there is a positive correlation between daily sales records and SME growth, with $r=0.58$ and $p<0.01$. It was established that daily sales records have a positive impact on SME growth, with $\beta=0.29$ and $p=0.010$.

This is supported by Namutebi (2019), which established that traders in Kampala reported increased turnover and stock control through daily sales recording. Okello (2021) established that sales documentation helped in the expansion of SMEs by identifying items with high demand in Wakiso District. It is evident that the high use of basic sales recording is responsible for the high improvement in sales (mean=3.68) for Kisaasi Market. Although trend analysis is moderately used, it may limit strategic planning. Kaggwa and Lumu (2020) established that informal traders rarely benefit from trend analysis, which may limit strategic planning.

5.2.2 Profit and Loss Records and SME Growth

The level of profit and loss records was rated moderately ($M = 2.82$). The poorest practice was the preparation of long-term trend summaries ($M = 2.56$). Despite the moderately rated profit and loss records, the profit and loss records had the strongest correlation with SME growth ($r = 0.64$, $p < 0.01$) and the highest regression coefficient ($\beta = 0.38$, $p = 0.001$).

The result is in line with Mukasa's (2020) study on SMEs in Mukono Municipality, which revealed that SMEs that prepared profit/loss summaries on a monthly basis were likely to reinvest their profits and attain financial stability. Kato (2022) also revealed that SMEs with accurate profit records improved their managerial decisions since the records helped identify profitable products. In the present study, the moderately rated profit and loss records may explain the low profit increase ($M = 3.22$) and low credit access ($M = 2.76$). The result cross-references the information in Table 4.6 on the low profit increase compared with the increase in sales. The implication is that SMEs without profit calculation would not be able to increase their revenues.

5.2.3 Expense Records and SME Growth

Expense records were rated as moderate (mean = 3.14). Respondents showed strengths in identifying major expenses (mean = 3.50). However, weaknesses were noted in separating business and personal expenses (mean = 2.92) and in reviewing expenses regularly (mean = 2.74). Correlation showed that there was a positive and significant correlation between SME growth and expense records ($r = 0.55$, $p < 0.01$). Also, regression showed that SME growth was significant ($\beta = 0.22$, $p = 0.046$).

These findings are in line with Kaggwa & Lumu (2020) who noted that systematic tracking of expenses helped traders control costs, hence enhancing profitability. Okello (2021) noted that traders who had receipts for expenses, separating business and personal expenses, experienced better cash flow management, hence enhanced growth. In Kisaasi, moderate separation of business and personal expenses seems to be the main contributor to moderate growth in assets (mean = 3.04) and low growth in employment (mean = 2.88). This indicates that the business and personal expenses are being intermingled, hence limiting growth. This is also noted in the regression, as shown in Table 4.6.

5.2.4 Overall Influence of Record-Keeping on SME Growth

The three factors combined accounted for 48.2% of the variance in growth, while the remainder, 51.8%, is accounted for by other factors such as access to markets, capital, and competition, etc. This is similar to the partial explanation offered by Chukwu & Eze (2020) in Nigeria, where they found that the contribution of record-keeping to micro-enterprise growth in informal settings was between 40-50%. The most significant contribution of profit/loss records is supported by the qualitative findings that those micro-enterprises that monitored profit/loss monthly had better access to reinvestment and loans.

5.3 Conclusions

Based on the findings, the following conclusions are drawn:

Daily Sales Records: These are practiced at a high level in Kisaasi Market and have a positive and significant effect on SME growth in terms of increased sales revenue.

Profit and Loss Records: These are practiced at a moderate level but exert the greatest influence on SME growth.

Expense Records: These are practiced at a moderate level and are positive in their influence on SME growth in terms of increased awareness of costs. However, the poor distinction between business and personal expenditures and the lack of a review of costs limit the full potential of expense records.

Overall Contribution: Financial record-keeping practices are significant in the moderate SME growth in Kisaasi Market. However, the absence of formal profit/loss records and expense discipline limits the rapidity of SME growth in the market.

5.4 Recommendations

For SME Owners in Kisaasi Market

Use simple profit and loss account formats, which may be available for free or at a low cost through mobile apps like Wave or Excel Mobile.

Keep separate wallets or cash boxes for business and personal expenses.

Review monthly expenses regularly to identify ways of reducing unnecessary expenditure.

For Market Leaders and Traders' Associations

Design short training programs (1-2 days) on basic record-keeping, with particular attention given to profit calculation and separation of expenses.

Work with SACCOs or microfinance institutions to make record-keeping mandatory for group loans.

For Government and Policy Makers

Distribute free or subsidized record-keeping materials (such as receipt books or simple ledgers) to informal traders in markets like Kisaasi.

Develop simple tax education programs to show how record-keeping reduces tax disputes and enhances loan eligibility.

Support digital literacy programs to help SME owners use simple mobile apps for record-keeping.

5.5 Contribution of the Study

The study offers context-specific empirical findings from the understudied context of Kisaasi Market. It also supports the general findings that profit and loss records have the greatest impact on SME growth, but with some nuances that differ from the predominantly rural- and general-Ugandan-focused research in the country.

5.6 Areas for Further Research

Comparative research examining the differences in the use of records between the urban market and the rural trading centers.

Research examining the influence of mobile application use in the record-keeping habits of young SME owners in the suburbs of Kampala.

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APPENDICES

QUESTIONNAIRE

Research Title: Financial Record-Keeping Practices and the Growth of Small and Medium Enterprises: A Case Study of Kisaasi Market, Kampala–Gayaza Road

Introduction Dear Respondent,

I am Ines Simon Peter, a student pursuing a Bachelor of Science in Accounting and Finance at Uganda Christian University. I am conducting this study as part of my final year research project.

The purpose of this questionnaire is to collect information on how financial record-keeping practices affect the growth of SMEs in Kisaasi Market. Your honest responses are very important and will be treated with strict **confidentiality**. No names will be used in the report. Participation is voluntary.

Kindly tick (✓) the appropriate box or fill in the blank spaces. Thank you very much for your time and cooperation.

SECTION A: Background Information of the Respondent / Business (Please tick (✓) where appropriate or fill in the blank)

1. Gender: Male Female
2. Age group: Below 25 25–34 35–44 45–54 55 and above
3. Highest level of education completed: No formal education Primary Secondary (O/A level) Certificate/Diploma Degree Other (specify): _____
4. Type of business/activity: Retail (e.g. shop, clothing, food) Wholesale Services (salon, phone repair, etc.) Food & beverages (restaurant, kiosk) Other (specify): _____
5. How long has this business been operating? Less than 1 year 1–3 years 4–6 years 7–10 years More than 10 years
6. Approximate number of employees (including yourself): _____ people

7. Do you personally keep or supervise the financial records of the business? Yes No (if No, who does? _____)

SECTION B: Financial Record-Keeping Practices Instruction:

Please indicate how often or to what extent the following statements describe your business record-keeping practices. **Scale:** 1 = Never / Not at all 2 = Rarely / Very little 3 = Sometimes / Moderately 4 = Often / Quite well 5 = Always / Very well

B1. Daily Sales Records

| No | Statement | 1 | 2 | 3 | 4 | 5 |
|----|--|--------------------------|--------------------------|--------------------------|--------------------------|--------------------------|
| 1 | I record every sale made each day (in a notebook, phone, book, etc.) | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 2 | I record both cash and mobile money (MTN, Airtel) sales separately | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 3 | I know my daily total sales figure at the end of each day | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 4 | I compare today's sales with previous days/weeks to see trends | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 5 | I keep a record of fast-moving and slow-moving items/products | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |

B2. Profit and Loss Records

| No | Statement | 1 | 2 | 3 | 4 | 5 |
|----|---|--------------------------|--------------------------|--------------------------|--------------------------|--------------------------|
| 6 | I calculate my profit or loss at least once a month | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 7 | I prepare a simple profit and loss summary (income minus expenses) | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 8 | I know which products/services give me the highest profit | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 9 | I use profit records to decide how much to reinvest in the business | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 10 | I can show my profit/loss trend over the past 6–12 months | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |

B3. Expense Records

| No | Statement | 1 | 2 | 3 | 4 | 5 |
|----|--|--------------------------|--------------------------|--------------------------|--------------------------|--------------------------|
| 11 | I record all business expenses (rent, stock, transport, airtime, etc.) | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 12 | I keep receipts or notes for most expenses | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 13 | I separate business expenses from personal/family expenses | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 14 | I review my expenses regularly to identify where I can reduce costs | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 15 | I know my major expense items every month | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |

SECTION C: Growth of the Business Instruction:

Please indicate the extent to which you agree with each statement about your business growth over the past 2–3 years. **Scale:** 1 = Strongly Disagree 2 = Disagree 3 = Neutral 4 = Agree 5 = Strongly Agree

| No | Statement | 1 | 2 | 3 | 4 | 5 |
|----|--|--------------------------|--------------------------|--------------------------|--------------------------|--------------------------|
| 1 | My daily/weekly sales have increased compared to 2–3 years ago | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 2 | My monthly profit has grown over the past 2–3 years | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 3 | I have expanded my business (bigger shop, more stock, new products/services, etc.) | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 4 | The number of employees (including casual workers) has increased | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 5 | My business assets (stock, equipment, furniture, savings) have increased | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 6 | I now serve more customers or cover a larger area than before | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 7 | Good record keeping has directly helped my business to grow | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 8 | Because of my records, I was able to get a loan or credit from a bank/microfinance/SACCO | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |

Thank you very much for your valuable time and honest answers



**UGANDA CHRISTIAN
UNIVERSITY**

A Centre of Excellence in the Heart of Africa

School of Business

16th March 2026

Dear Sir/Madam

Re: Introduction of Ines Simon, M23B33/086 for Data Collection Permission

I am writing to introduce Ms. Ines Simon, M23B33/086, a student of Bachelor's Degree in Accounting and Finance at Uganda Christian University. Ines Simon, M23B33/086, is currently in the advanced stage of her academic journey and is conducting a dissertation on "FINANCIAL RECORD KEEPING PRACTICES ON THE GROWTH OF SMALL AND MEDIUM ENTERPRISES, A CASE STUDY OF KISASI MARKET, KAMPALA GAYAZA ROAD."

I assure you that Ms. Ines Simon, M23B33/086, will adhere to all ethical guidelines and treat any data collected with the utmost confidentiality. She is a responsible student dedicated to conducting a thorough and rigorous study.

We kindly request your support in granting Ms. Ines Simon, M23B33/086 access to relevant data and personnel within any department and as well as any personnel with objective knowledge regarding her topic. Your valuable insights will significantly contribute to the success and quality of her research.

Thank you for considering her request. Should you require any additional information, please do not hesitate to contact me on the address provided here below.

Sincerely,

Mukisa Simon Peter
Lecturer and undergraduate
Research coordinator UCU School of Business
Email smukisa@ucu.ac.ug Mob. 0752938600

