

**THE ROLE OF MOBILE ACCOUNTING APPLICATIONS ON FINANCIAL PERFORMANCE OF
SMES: A CASE STUDY OF MUKONO CENTRAL DIVISION.**

GIFT BOB WALUBO

J22B05/206

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

September, 2024



**UGANDA CHRISTIAN
UNIVERSITY**

A Centre of Excellence in the Heart of Africa

Declaration

I Walubo Bob Gift, do hereby declare that I am the author of this Research report and that all information presented in this report is accurate to the best of my knowledge and has not been presented to any institution of learning for any academic award.

Signed..........

Date 12/09/2024.....

Walubo Bob Gift

Approval

This is to certify that Walubo Bob Gift carried out this research report under my supervision and is now ready for submission to the department of business administration, Faculty of school of Business, Uganda Christian University. Mukono

Signature: 

Date: 12/09/2024

Mukisa Simon Peter

Dedication

With special regard, I wish to dedicate this piece of work to my guardians who have always been there to support me in my education. May the Almighty God bless you abundantly.

Acknowledgement.

I acknowledge that my success is due to the Almighty God who has enabled me to produce this work and the entire course at large for His mercy and good will.

Sincere thanks go to my supervisor Mr. Mukisa Simon Peter for the great support and guidance he has given me in compiling the five chapters inside this research dissertation, Special appreciation goes to my relatives and all friends for the great support and encouragement.

Further I acknowledge the contribution of my dear parents; Mr. Walubo Isaac, Mrs. Nakalule Grace, and my family members for the encouragement, cooperation and friendship availed to me in pursue of a bachelor's degree in Business Administration.

Lastly appreciation goes to all BBA 2024 students and the head of department for the good knowledge they imparted on to me for accomplishment of this course.

TABLE OF CONTENTS

Declaration	i
Approval.....	ii
Dedication	iii
Acknowledgement.	iv
TABLE OF CONTENTS.....	v
List Of Tables	viii
Abstract	x
Chapter One	1
1.1 Introduction.....	1
1.4 Purpose of the Study	3
1.7 Scope of the study	4
1.7.2 Content Scope	4
1.7.3 Time Scope	4
1.7.4 Geographical Scope	4
1.9 Justification	5
Chapter Two.....	8
Literature Review.....	8
2.1 Introduction.....	8
Chapter Three.....	12
Methodology	12
3.1 Introduction.....	12
3.2 Research Design.....	12
3.3 Study Population.....	13
3.4 Sample Size and Selection Technique	13
3.5 Sampling Techniques.....	14
3.6 Data Collection Methods	14

3.6.1 Questionnaire Survey Method	15
3.6.2 Interview Method.....	15
3.6.3 Observation	16
3.7 Data Collection Instruments	16
3.7.1 Self-Administered Questionnaire.....	16
3.7.2 Interview Guide	16
3.8.1 Validity	17
3.9 Data collection procedure	18
3.10 Data Management and Analysis	18
3.10.1 Quantitative Analysis.....	18
3.11 Measurement of Variables	19
3.12 Conclusion	19
Chapter Four	20
Data presentation, Analysis and Interpretation	20
4.0 Introduction.....	20
4.1 Response Rate	20
Table 4.1 below.....	20
4.2 Background of the Respondents.....	20
4.3 Role of Tally.....	22
Table 4.4 statistics for role of QuickBooks	23
Discussion of findings, Conclusion and Recommendations.....	26
5.2 Summary of the Study Findings	26
5.3 Discussion of the Study Findings	27
5.4 Conclusions of the Study	28
5.4.1 The Role of Tally on the Financial Performance of SMEs.....	28
5.4.2 The Role of Microsoft Excel on the Financial Performance of SMEs	28
5.4.3 The Role of QuickBooks on Financial Performance of SMEs.....	28

5.5 Recommendations of the Study	29
5.5.1 Enhancing Training and Support for Tally	29
5.5.3 Supporting the Adoption of QuickBooks	29
5.6 Limitations of the Study.....	29
5.7 Contributions of the Study	29
5.8 Areas for Further Research	30
References	31
Appendices.....	33
Appendix I: Questionnaire	33
Appendix II: LETTER	36

List Of Tables

Table 3.1 Population category and sample size of the respondents,.....	12
Table 3.2: Validity results.....	15
Table3.3:Reliabilityresults.....	16
Table 4.1:Response rate	17
Table 4.2:Background of respondents	20
Table 4.3: Statistics results for Role of Tally	21
Table 4.4: Statistics results for Role of QuickBooks.....	22
Table 4.5: Statistics for Role of Microsoft Excel.	23
Table 4.6: Results for Firm's financial performance.....	24

List Of Figures

Figure 1.10	The Conceptual Framework.....	6
-------------	-------------------------------	---

Abstract

Small and medium sized enterprises play a crucial role in fostering economic growth, particularly in developing nations like Uganda, where they account for a significant portion of employment and GDP. However, many SMEs face challenges in managing their financial performance due to reliance on outdated and manual accounting methods. This study investigates the contribution of mobile accounting applications, such as Tally, QuickBooks, and Microsoft Excel, to the financial performance improvement of SMEs in Mukono. This research study seeks to establish how these tools contribute to operational efficiency, financial transparency, and business performance. By adopting a Technology Acceptance Model (TAM) framework, the study investigates the perceived ease of use and usefulness of these applications, as well as the barriers to their adoption. The study covers the period from 2015 to 2023, providing insights into the impact of mobile accounting tools on financial management practices within Mukono's SMEs. The findings of this research will offer valuable recommendations for SMEs, policymakers, and technology developers on how to improve financial practices and foster greater economic inclusion through the use of mobile accounting applications.

Chapter One

1.1 Introduction

The focus of this chapter is to emphasize the vital contribution that SMEs make to economic progress, especially in developing countries like Uganda. SMEs remain crucial in providing many opportunities for employment and also provoke economic growth. Despite their crucial position they hold in most of the economies, many of them fail to realize proper financial performance. Good financial performance is essential for the success and growth of SMEs; however, many still rely on outdated and inefficient methods, hindering their potential for progress and sustainability. Mobile accounting applications are an innovative intervention that could help solve one or many of the financial performance problems of SMEs. Applications usable on smartphones and tablets support easier tracking of finances by monitoring sales and expenses, generating financial reports, and managing inventory. Such technologies are particularly important in districts like Mukono, where a huge number of SMEs operate with limited resources.

1.2 Background of the Study

Small and medium sized enterprises SMEs are vital contributors to economic development, particularly in developing nations like Uganda. Historically, SMEs have been recognized globally for their role in driving economic growth, innovation and employment. In East Africa, SMEs form backbone of the economy, accounting for a substantial portion of employment and GDP. For instance, in Kenya, SMEs contribute about 40% of the GDP and employ over 80% of the workforce in the private sector. Similarly, in Tanzania, SMEs are a major source of income and employment, contributing significantly to the country's economic stability and growth. In Grandames account for over 90% of the private sector, contributing approximately 80% of the country's employment and 70% of its GDP (Smith,2020).Despite their economic significance, many SMEs have traditionally faced substantial challenges in managing their finances due to resource constraints and reliance on manual bookkeeping methods(Johnson,2019

The rapid upsurge of mobile technology, especially in the last few years, has opened up new vistas for SMEs in the quest to manage and operate their business enterprises. Mobile accounting applications are intensely robust tools that can potentially align the financial processes of a firm with great ease. These include live tracking of sales and expenses,

automated financial reporting, and effective inventory management, among others, guaranteeing significant accuracy and efficiency levels. Globally, mobile accounting applications have transformed the way SMEs approach financial management, with benefits such as improved data accuracy, reduced manual errors, and financial transparency (Global Business Insights, 2022). The pace at which these applications has been taken up in developed nations is high, with their use contributing toward an effective and competitive business environment. In East Africa, mobile technology in business operations has been increasing at a steady trend, where SME operations are now improved for several countries in the region, such as Kenya and Tanzania.

Indeed, at the national level, there has been gradual use of those technologies in Uganda, mainly in its urban centers where technological infrastructure is more developed. However, regional disparities remain, and rural areas like Mukono still face significant challenges in accessing and adopting advanced accounting tools. For instance, only 39% of adults have access to formal financial services in Uganda, reports the World Bank (2020); this captures the wider context of financial exclusion that SMEs face. In Ugandan conditions, SMEs in Mukono often face difficulties in enhancing their financial performance as a result of limited access to sophisticated accounting tools and low levels of financial literacy. The introduction of the mobile accounting application brings a ray of hope in addressing these challenges by enabling SMEs to better manage their books of account for sound decision-making. Through the use of mobile technology, the SMEs can overcome geographical distance to gain access to basic financial services. Apart from increasing efficiency, this will improve their competitiveness in the market and enhance their contribution to economic growth.

This research is theoretically supported by the Technology Acceptance Model, which assumes that perceived ease of use and perceived usefulness are the main factors in any new technology adoption. The TAM framework has been applied on different technologies across various sectors globally. In the context of mobile phone accounting applications, perceived ease of use and usefulness are critical usages for their widespread adoption among SMEs. In East Africa, the TAM framework helps in understanding the specific challenges and drivers of technology adoption among SMEs. Factors such as local infrastructure, financial literacy, and cultural attitudes towards technology play significant roles in how these applications are perceived and utilized. Generally, the use of mobile accounting applications in the operations of SMEs in Uganda marks a major breakthrough in updating financial performance practices, enhancing financial inclusions, and thereby improving economic development.

1.3 Statement of the Problem.

Ideally, the SMEs in Mukono would have easy access to enhanced financial performance tools that allow them to track sales and expenses efficiently, prepare exact financial reports, and, therefore, manage inventions. Reality on the ground, however, has it that quite a considerable number of SMEs in Mukono face tremendous difficulties in managing and performing finance due to resource constraints and reliance on conventional, manual book-keeping ways. These limitations have given them a hard time making prudent business decisions due to reduced errors and enhanced efficiency in operations. Increased efforts have been realized in the development of mobile accounting applications, which feature real-time tracking, automated reporting, and inventory management. While these have seen promising applications both globally and in urban areas in Uganda, the rate of uptake in Mukono remains rather limited; this may in part be due to generally low levels of financial literacy, an underdeveloped technological infrastructure, and a general lack of awareness on the part of SME owners themselves. Despite the potential benefits, there is a lack of comprehensive understanding of how these mobile accounting applications impact the financial performance of SMEs in Mukono, particularly in overcoming local barriers to adoption. According to the World Bank (2004), only 39% of adults in Uganda have access to formal financial services, highlighting the broader context of financial exclusion that affects SMEs. Additionally, MOFPED, 2009, stressed that for SME growth, increased financial literacy and technological infrastructure are necessary. In this regard, targeted research to establish specific impediments and benefits to the use of mobile phone accounting applications by SMEs in Mukono is needed. Such research would provide active insights and recommendations for better adoption and effectiveness of such tools, leading to improved financial performance and economic contribution by SMEs within the region.

1.4 Purpose of the Study

The study aims to investigate the impact of mobile accounting applications on the financial performance of small and medium sized enterprises in Mukono.

1.5 objectives

The objectives of this study will be to;

- i) Examine the role of tally on financial performance of SMEs in Mukono
- ii) Examine the role Quick books on financial performance of SMEs in Mukono

- iii) Examine the role of Microsoft Excel on financial performance of SMEs in Mukono

1.6 Research Questions

Based on the objectives of the study, our research questions will be the following

- i) What is the role of tally on financial performance of SMEs in Mukono?
- ii) What is the role of Quick books on the financial performance of SMEs in Mukono?
- iii) What is the role of Microsoft Excel on the financial performance of SMEs in Mukono?

1.7 Scope of the study

1.7.2 Content Scope

This study aims to explore the adoption and impact of mobile accounting applications on small and medium sized enterprises SMEs in Uganda. The focus will be on understanding how these technologies influence financial performance, operational efficiency, and overall business performance. Key areas of investigation will include the features of mobile accounting applications that are most beneficial to SMEs, the challenges faced in adopting these technologies, and the perceived usefulness and ease of use as posited by the Technology Acceptance Model (TAM). The study will also examine the extent to which mobile accounting applications contribute to financial transparency, accuracy, and inclusion among SMEs.

1.7.3 Time Scope

The study will cover a period from 2015 to 2023, a time frame that captures the significant growth and development of mobile technology and its integration into business practices in Uganda. This period allows for a comprehensive analysis of trends, challenges, and outcomes related to the adoption of mobile accounting applications. By examining data and case studies from these years, the study aims to provide a robust understanding of how SMEs have evolved in their use of mobile accounting tools and the resultant impacts on their financial performance and business operations.

1.7.4 Geographical Scope

Geographically, the study will focus on Uganda, with specific emphasis on both urban and rural areas to capture a diverse range of experiences and challenges. Urban centers such as Kampala, which have more developed technological infrastructure, will be contrasted with

rural areas like Mukono to highlight regional disparities in the adoption and effectiveness of mobile accounting applications. It will also be within this geographical scope that an overview of how uptake and impacts of these technologies differ with environments and levels of infrastructure development on SMEs across the country is provided.

1.8. Significance of the Study

In this case, Uganda Revenue Authority plays a role in tax policies that impact SMEs and adoption of accounting technologies for tax compliance, Uganda Small Scale Industries Association (USSIA) are a key player in representing SME interests, influencing policies on technology adoption in accounting, Mukono District Local will find this study valuable as it provides insights into the challenges SMEs face when adopting mobile accounting applications. These insights can help in creating policies that support the digital transformation of SMEs. By knowing the broader economic impact of better financial performance activities, policy makers can develop strategies to foster a more inclusive and robust economic environment.

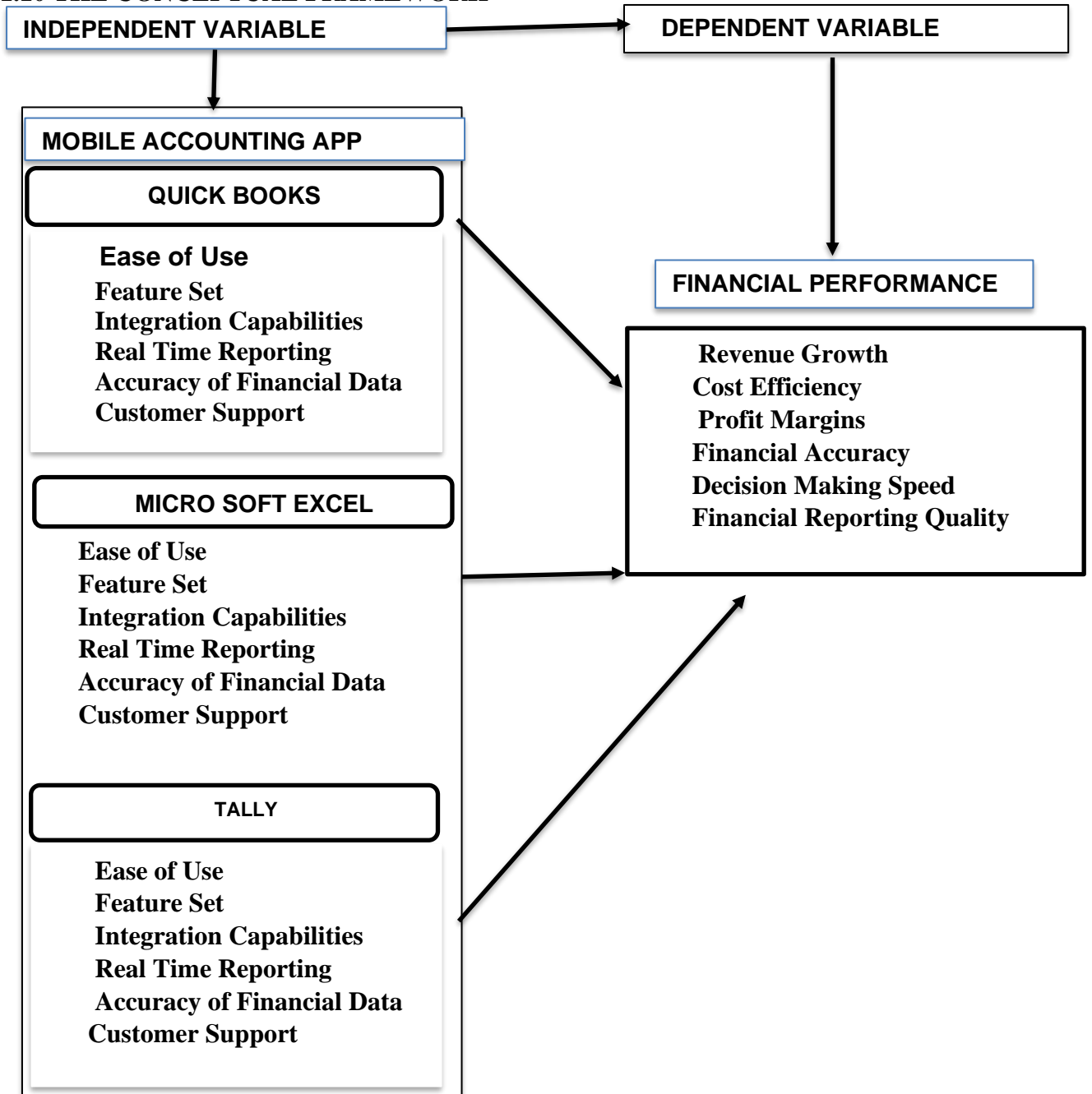
Financial advisors, technology developers, SME owners and business consultants, will gain a better understanding of SME needs and preferences regarding mobile accounting applications. This knowledge can help them develop and improve products and services tailored to SMEs.

Additionally, the study offers data that scholars can use to expand research on technology adoption in developing economies. This research can help scholars explore new theoretical frameworks and understand the long-term impacts of digital transformation on SMEs.

1.9 Justification

This study will be justified in so far as it addresses the critical need for improved financial performance tools amongst SMEs in Mukono, Uganda. SMEs in Mukono are also vital in the local economy, being a source of employment and GDP, but they equally experience a lot of challenges in maintaining good financial records due to their resource constraints and reliance on manual systems. By exploring the adoption and impact of mobile accounting applications, this study aims to provide valuable insights that can help these SMEs improve their efficiency, accuracy, and financial transparency. These improvements can lead to greater business growth and economic development, benefiting not only the SMEs but also policy makers, practitioners, and scholars who are focused on enhancing the economic landscape in Mukono and beyond.

1.10 THE CONCEPTUAL FRAMEWORK



Source: Primary data 2024

Relationship between Independent and Dependent Variables in Accounting Tool Evaluation

The type of accounting tool QuickBooks, Microsoft Excel, or Tally forms the independent variable, which influences dependent variables like ease of use, feature set, integration capabilities, real-time reporting, accuracy of financial data, and customer support. These dependent variables will affect the measures of financial performance metrics. For example, ease of use can drive better decision speed and cost efficiency, while feature set and integration capabilities can drive revenue growth and profit margins, and real-time reporting and data accuracy drive financial accuracy and quality of reporting.

Chapter Two

Literature Review

2.1 Introduction

This chapter reviews existing literature on the role of mobile accounting applications in enhancing financial management practices among small- and medium-sized enterprises. It is structured to cover global perspectives, African contexts, and specific insights into Uganda and Mukono. How these software tools contribute to financial performance is an important understanding needed for assessing their overall impact on SMEs.

2.2 The Role of Tally on Financial Performance of SMEs

In recent years, Tally has been a widely recognized accounting software used globally for its comprehensive features and ease of use. It integrates financial management, inventory management, and tax management, making it essential tool for SMEs(Kumar,2018).Globally, businesses using Tally have reported increased efficiency and reduced errors in financial reporting(Brown,2018)

In Africa basically, Tally's adoption has led to improved accuracy in financial reporting and better decision making among SMEs. According to Mbogo(2019),SMEs using Tally experienced significant enhancements in financial transparency and operational efficiency. This is crucial in a continent where many businesses face challenges in financial management due to limited resources.

Tally has had a significant impact on SMEs in Uganda as a country. The Ministry of Finance, Planning, and Economic Development (MOFPED, 2009) notes that SMEs using Tally report improvements in maintaining accurate records, complying with tax regulations, and generating timely financial reports. This software's popularity is growing as more businesses recognize its benefits. A study by Muhwezi and Ogutu(2021) in Mukono found out that SMEs using tally reported better financial performance compared to those using manual accounting systems

In my case studies, specifically in Mukono, Tally has been instrumental for SMEs; for instance, Hajji Abasi's Mini Market has shown that with the Tally, financial accuracy and decision making have improved. The software's ability to automate financial processes and provide real time insights has been particularly beneficial in this region. Despite its benefits, literature

indicates that the adoption of tally is often hindered by limited training and support services, especially in rural areas. Future research should focus on strategies to enhance training programs and support mechanisms to increase adoption and effective use of Tally among SMEs.

2.3 The Role of Quick Books on Financial Performance of SMEs

Quick Books is another widely used accounting software known for its simplicity and robust features. Globally, QuickBooks is valued for its ability to integrate various business operations, such as payroll, invoicing, and inventory management (Brown,2018)

It has helped SMES increase financial transparency and operational efficiency by providing critical real-time data for decision making. In Africa, the adoption of QuickBooks has been linked to enhanced operational efficiency and reduced costs for SMEs. QuickBooks has also been embraced by SMES seeking to streamline their accounting processes. According to Njoroje, businesses using QuickBooks have reported a reduction in manual errors and have noted improvement in overall financial performance. The cloud-based features of the software enable businesses to have real-time access to their financial data, which is critical for timely decision-making. QuickBooks is thus becoming relatively cheaper and also full of the features that Ugandan businesses have needed; its adoption has therefore been on the rise. World Bank, 2004, observed that SMEs adopting QuickBooks have a higher level of financial management than the ones adopting the traditional bookkeeping system. Quick Books has the ability to allow for detailed financial reporting that allows for proper decision making within the business, as well as addressing regulatory requirements.

Mainly, Ugandan SMEs, especially those in urban areas like Mukono, have benefited from the QuickBooks integration capabilities that allow smooth linkage with other business tools and financial institutions.

Kintu and Nakibinge, 2022, report that SMEs using QuickBooks in Mukono realized a significant profit boost and cash flow management; on the other hand, several SMES have adopted QuickBooks to enhance their financial management.

Most businesses in Mukono reported that using QuickBooks streamlined their inventory management and sales tracking processes(Clark,2019).The software's real time reporting features have enabled these businesses to make quicker and more accurate financial decisions.

While QuickBooks offers numerous benefits, its relatively high cost and complexity can be barriers for smaller SMEs and therefore literature suggests that need for more affordable versions or pricing models tailored to the needs of small businesses. Additionally, further studies could explore the impact of QuickBooks on non financial performance metrics such as customer satisfaction and employee productivity.

2.4 The Role of Microsoft Excel on Financial Performance of SMEs

Microsoft Excel is multifunctional and hence widely applied for multiple ends in accountancy and financial management. Excel is highly valued internationally because of its flexibility and strong data analytical capability. SMEs can easily tailor their financial management to suit their needs using Excel, which makes it a vital tool to many companies. According to Davis (1989), the ability of Excel to manipulate big databases and conduct complex calculation capabilities essential in financial analysis and reporting makes it valuable.

SMEs in Africa have been using Microsoft Excel in financial management largely because of the availability and low cost of the application. Oluoch 2019, states that Excel allows a business to put its finances in order, conduct in-depth financial analysis, and make decisions which are data-driven. Because of its wide availability, it is appropriate for most SMEs on the continent.

In Uganda, Microsoft Excel is nationally widely used by the SMEs in performing the various accounting functions. MOFPED, 2009 stated that Excel helps a business to keep its books of accounts correctly and equally carry out a thorough and comprehensive financial analysis. Especially, it has greatly helped the SMEs, which have strained budgets and hence cannot afford the relatively expensive accounting software. Excel is mostly used alongside other tools of accounting to complement the processes involved in managing finance.

A study by Kyazze and Mbabazi (2020) In Mukono revealed that SMEs leveraging Excel for budgeting, financial forecasting, and data analysis saw improvements in financial decision making and overall financial performance any SMEs rely on Microsoft Excel for their financial management needs. Afaayo Charcoal Solutions a business in Mukono as my case study implemented Excel to automate their financial processes, which improved their cost management and profitability analysis(Johnson,2019).The tool's ability to handle large datasets and perform complex calculations has been crucial for these businesses. Despite its versatility, Excel's manual nature can lead to errors and inefficiencies if not properly managed

and by this, literature suggests a need for more training and development best practices for using Excel in financial management. Additionally, integrating Excel with other accounting software could enhance its utility and reduce risk of errors.

Chapter Three

Methodology

3.1 Introduction

This chapter presents the research methodology adopted in this study for investigating the effect of mobile accounting applications on the financial performance of SMEs in Mukono. The study aims to establish how SMEs use such tools as Tally, QuickBooks, and Microsoft Excel to leverage their financial management practices. This chapter describes the research design, population and sample, methods of data collection, instruments of research used, procedures for data analysis, and considerations related to ethics. All this is intended to put up a very clear framework as to how the research was done so that the findings become valid and reliable.

3.2 Research Design

The design to be adopted for this study will be a descriptive survey, intended to give a broad view of the current use and impact of mobile accounting applications on SMEs in Mukono. A descriptive survey, in this case, would therefore be suitable for this study, as it entails the gathering of quantitative data, which can be helpful in establishing patterns and the relationship between variables.

This design uses both quantitative and qualitative approaches in a bid to wholly grasp the role being played by mobile accounting applications in enhancing financial management among SMEs. Quantitative approach underlying data collection through structured questionnaires from sampled SMEs, while the qualitative approach will involve an interview with selected SME owners and managers in order to go into their experiences and challenges faced in using these applications.

A mixed-methods approach contributes to robust and comprehensive analysis, combining both the strengths of quantitative and qualitative data. This contributes to the triangulation of findings and, further, leads to a more nuanced understanding of the issues studied.

3.3 Study Population

The study population consists of small and medium-sized enterprises (SMEs) operating in Mukono, Uganda. SMEs are defined as businesses with a limited number of employees and a relatively low volume of sales compared to larger enterprises. In Uganda, SMEs typically employ between 5 and 50 people and have an annual turnover not exceeding 360 million Ugandan Shillings (Uganda Investment Authority, 2016).

It targets Mukono because of its large coverage of SMEs that are involved in retail, manufacturing, services, and agriculture. Because it cuts across all cadres of businesses, an effective analysis could be achieved when conducting a study concerning the impact of mobile phone accounting applications. According to UBOS 2020, Mukono hosts a considerable population of SMEs, hence the best target for this study.

The quantitative survey targets a population comprising all SMEs registered within Mukono, while the qualitative interviews will be restricted to a purposive sample comprising SME owners and managers who have experience of using mobile accounting applications. In this way, the study captures a broad spectrum of experiences and perspectives.

3.4 Sample Size and Selection Technique

The sample size for this study will be derived based on guidelines provided by Krejcie and Morgan (1970), which target a representative and generalizable sample size of 150 SMEs in Mukono. For the qualitative part, 15 SME owners and managers with experience in the use of mobile accounting applications will be selected through purposive sampling. This approach ensures the inclusion of participants who can provide rich, detailed information relevant to the study objectives. In this respect, stratified random sampling will be utilized in the quantitative survey to ensure representation across such different sectors as retail, manufacture, services, and agriculture. This will then be followed by simple random sampling within each stratum to select the individual SMEs, hence capturing the variation of SMEs in Mukono and ensuring that the findings are representative of the wider population.

Table image

Table3. 1: Population Category and Sample Size of the Respondents

Population Category	Total Population	Sample Size	Sampling method
Retail SMEs	25	24	Simple Random
Manufacturing SMEs	30	28	Stratified Random
Service SMEs	20	19	Simple Random
Agriculture SMEs	20	19	Stratified Random
Total	95	76	

Source; primary data August 2024

3.5 Sampling Techniques

A stratified and simple random sampling technique was used for the study in the selection of respondents from the population of SMEs in Mukono. This stratified sampling will first be used to identify the SMEs that fall within the scope of this study on mobile accounting applications. This approach was helpful as it would enable the researcher to focus on the organizations that are already applying these tools or which have high potentials for delivering an analysis of the effectiveness of those mobile accounting applications. Concentrating on retail, manufacturing, service and agriculture sectors ensured that the study got a wide variation in experiences and challenges facing the use of mobile accounting application thus enhancing data from this research. Then, within these strata, a simple random sampling through the lottery technique was conducted, which gave each SME an equal chance of being selected.

After the purposive selection, individual SMEs within each identified sector were selected using Simple Random Sampling. This involved the random selection of businesses from among those categories that had previously been targeted to participate in the research study. As pointed out by Sekaran & Bougie, 2016, such a method of selection allowed every SME an equal chance of being included, thereby giving a representative sample. Owing to such combined sampling techniques, a strong comprehensive data set was achieved that further strengthens the reliability and validity of the research findings, which explores wide spectra of experiences and viewpoints among SMEs in Mukono.

3.6 Data Collection Methods

The data collection for this study was done by combining structured questionnaires with semi-structured interviews. Accordingly, a sample of the population was used by giving structured questionnaires in order to obtain quantitative data on SMEs with regard to their use of mobile

accounting applications and their impact on financial performance. These questionnaires contained closed-ended questions in order to obtain specific metrics and trends. Semi-structured interviews with selected SME owners and managers were conducted to gather qualitative insights into their experiences, challenges, and views concerning the application of mobile accounting tools. The combined quantitative data with detailed personal insights allows a comprehensive analysis; hence, this mixed-method approach enhances overall understandings of the impact of the mobile accounting applications to the SMEs in Mukono (Yin 2018).

3.6.1 Questionnaire Survey Method

The research questionnaire was designed with the inclusion of both quantitative closed-ended and qualitative open-ended questions in relation to specific requirements of the research objectives. This has included types of mobile accounting applications being used by SMEs, impacts of such on financial management, and challenges thereof. Stratified sampling ensured representatives, and a sample size of 76 SMEs was selected, with each category in order of retail, manufacturing, service, and agriculture, proportionately. SMEs within each stratum were randomly selected using the lottery technique, whereby every SME is accorded an equal chance of being selected. Questionnaires had to be either electronically or physically distributed according to preference by the respondent targeted, and ample time was accorded to ensure that answers would be detailed. Data collected were analyzed using summary statistics and patterns to establish trends, which can inform on the usage and effectiveness of mobile accounting applications. Ethical guidelines were strictly followed, ensuring informed consent of all respondents and protection of confidentiality. Primary data from SMEs were directly related to their real-life experiences and challenges encountered while using mobile accounting tools.

3.6.2 Interview Method

The interview methodology consisted of semi-structured interviews with a number of owners and managers of SMEs in order to obtain qualitative insights from their experiences with mobile phone accounting applications. This method provided an opportunity to delve more deeply into individual perceptions and capture nuances in how these tools are used, and specific challenges faced by the respondents. Interviews were both guided by a set of pre-defined questions, but at the same time flexible to explore any emerging topics. This is in line with what Yin (2018) argues. Data from these interviews enriched the understanding of practical

implications and contextual factors that influence the adoption and effectiveness of mobile accounting applications in SMEs.

3.6.3 Observation

Observation involved direct watching of how SMEs, such as Shelby Gamers UG and Afaayo Charcoal Solution, in Mukono, integrate mobile accounting applications into daily running with the support of questionnaires to provide detailed information. This included noting the level of integration, functionalities available, and challenges faced in real-world settings.

3.7 Data Collection Instruments

3.7.1 Self-Administered Questionnaire

In this regard, 76 questionnaires were distributed to the population. The close-ended questions were designed in such a way that it divided the questionnaire into sections on background information, organizational operational performance, and the role of accounting software on organizational performance, namely Tally, QuickBooks, and Microsoft Excel. Quantitative primary data was obtained through the utilization of a five-point Likert scale, whereby the respondents indicated the level of their agreement regarding each statement: 5-Strongly Agree, 4-Agree, 3-Not Sure, 2-Disagree, and 1-Strongly Disagree.

3.7.2 Interview Guide

The interview guides supplemented data from questionnaires in elaborating the experiences of owners and managers concerning mobile accounting applications. Open-ended questions were posed concerning adoption factors, perceived benefits, such as an improvement in financial accuracy and efficiency, challenges and limitations such as technical issues and cost, impact on practices related to financial management, such as bookkeeping and reporting. Besides these, respondents elaborated on their future perspectives concerning mobile accounting applications. These interviews therefore collected detailed qualitative data to enrich and triangulate the quantitative findings that appreciate how mobile accounting applications enhance the financial performances of SMEs in Mukono.

3.8.1 Validity

The Content Validity Index was used to test the validity of the instrument. Expert judges were required to go through the questions and evaluate the degree of relevance each had toward the study variables. In this regard, the judges were requested to assess whether the questions elicited relevant background information, organizational operational performance, and the respective responsibilities of mobile accounting software such as Tally, QuickBooks, and Microsoft Excel. This was followed by consensus judgment on each of the variables, taking into consideration only those that were above 0.70 and thus considered valid. The formula used in the computation of CVI is :

$$CVI = \left(\frac{\text{Total number of items declared valid}}{\text{Total number of items}} \right)$$

The CVI results for this study are presented below:

CVI Results

Table3. 2 results

Variable	Number of Items	Number of Items Declared Valid	CVI
Financial performance	6	5	0.83
QuickBooks	6	5	0.83
Tally	6	5	0.83
Microsoft excel	6	4	0.66

Source; Expert judgement

Table 2 shows that financial performance yielded a CVI of 0.83; QuickBooks yielded a CVI of 0.83, and so did Tally yield a CVI of 0.83. Since these variables produced a CVI above 0.70, they were considered relevant. On the other hand, Microsoft Excel yielded a CVI score of 0.66, which was less than the actual CVI, and hence irrelevant.

3.8.2 Reliability

A pilot study was, therefore conducted among a small sample of SMEs in Mukono to ensure the reliability of these instruments of data collection. Reliability of the questionnaire was checked by Cronbach's Alpha, which is essentially a measure of internal consistency.

Table3. 2: Reliability Results

Variable	Total No of items	Cronbach's alpha
Role of tally	6	0.84
Role of QuickBooks	6	0.81
Role of Microsoft excel	6	0.79
Firms financial performance	6	0.76

Source; primary data

Above, Table 3 shows that the Role of tally yield Cronbach's alpha of 0.84, Role of QuickBooks yield Cronbach's alpha of 0.81, Role of Microsoft Excel yield Cronbach's alpha of 0.79 and the firm's financial performance yield Cronbach's alpha of 0.76. Since all the variables yielded an alpha value higher than 0.70, it was concluded that the instrument was consistent and therefore reliable.

3.9 Data collection procedure

Data collection for this study was triangulated with questionnaires, interviews, and observations to collect comprehensive data from SMEs in Mukono. First, 76 questionnaires were sent out to SMEs in different sectors of retail, manufacturing, service, and agriculture. These questionnaires, using a five-point Likert scale, were to be sent electronically or in person based on preference from the respondent. Consequently, interviews with SME owners and managers allowed a more profound insight into the use of mobile accounting applications, appealing for adoption, benefits, challenges, and impacts on financial management. The observation of real SMEs, such as Shelby Gamers UG, Afaayo Charcoal Solution, among others, practically presents the usage of such tools. Ethical considerations have always been strictly followed by the researcher during this process by upholding confidentiality and informed consent from the participants. It means a multifaceted approach that warrants robust, reliable data collection for the study.

3.10 Data Management and Analysis

3.10.1 Quantitative Analysis

Quantitative data from the questionnaires were managed and analyzed using Tally, QuickBooks, and Microsoft Excel. Data were first cleaned for completeness and accuracy before being coded and entered into these tools (Creswell, 2014). Descriptive statistics in terms

of means, frequencies, and percentages were used to summarize demographic information and key variables related to the use of mobile accounting applications (Saunders et al., 2016). Relationships between variables and hypotheses testing were established through the use of inferential statistics such as the tests of correlations and regressions; Bryman & Bell, 2015. The findings were then presented in tables and graphs for clarity and brevity of the data as shown by Field, 2013. This was a systematic approach that ensured the findings were reliable enough to aid in drawing valid conclusions on the effect of mobile accounting applications on the financial performances of SMEs in Mukono. References Hair, J. F., Black, W. C., Babin, B. J., and Anderson, R. E. (2010). *Multivariate data analysis: A global perspective*. New Jersey: Pearson Prentice Hall.

3.11 Measurement of Variables

Measurements in the study were done using both quantitative and qualitative methods to fully capture the impacts of the mobile accounting applications on the financial performance of SMEs in Mukono. The independent variables in the research included types of mobile accounting applications used by SMEs: Tally, QuickBooks, and Microsoft Excel, which had been measured using a structured questionnaire through targeted questions. In the study, the dependent variable was the financial performance of the SMEs, in which, to measure the above indicators, profitability, efficiency in financial management, accuracy of financial records, and decision-making improvements were derived using a five-point Likert scale. In addition, the following are the control variables measured: the size of the SMEs, sector (retailing, manufacturing, service, agriculture), and tenure of use of mobile accounting applications for its capturing mitigating impact on the relationship being investigated.

3.12 Conclusion

This study adopted an appropriate methodology through which the effect of mobile accounting applications on the financial performance of SMEs in Mukono would be analyzed. The research was designed to respond well to the adoption and efficacy of Tally, QuickBooks, and Microsoft Excel by means of a structured questionnaire and through an in-depth interview. These findings are expected to give practical recommendations to SMEs for improving their financial management with these tools.

Chapter Four

Data presentation, Analysis and Interpretation

4.0 Introduction

This chapter presents, analyses and interprets the study findings. It specifically presents the response rate, background of the respondents, description of variables and findings of the study objective by objective.

4.1 Response Rate

A total of 76 questionnaires were issued and 76 were returned as shown in

Table 4.1 below.

Category	Questionnaires issued	Questionnaires returned	Response rate
SME owners	76	76	100
Overall rate			100

4.2 Background of the Respondents

This section reflects the distribution of respondents by sex, age, religion, education background and occupation of the respondent as shown in

Table 4.2.

Items	Details	Frequencies	Percentage
Gender	Male	34	44.7%
	Female	42	55.3%
	Total	76	100
Age	Between 18-25 years	22	28.9
	Between 26-30 years	31	40.8
	Between 31-40 years	15	19.7
	Between 40-45 years	8	10.5
	45 years and above		
	Total	76	100.0
Organization type	Retail	20	26.3%
	manufacturing	16	21.1%
	Service	24	31.6%
	Other(please specific)	16	21.1%
	Total	76	100.0%
Level of Education	Certificate	20	26.3
	Diploma	18	23.7
	Bachelor's degree	24	31.6
	Master's degree	14	18.4
	Total	76	100%
Period of service in the Organization	Less than a year	12	15.8
	1-3 years	24	31.6
	4-6years	20	26.3
	7 years and above	20	26.3
	Total	76	100.0

Source: Primary data July 2024

According to Table 4.2, females contributed more to the sample with 55.3% of the respondents compared to the males who contributed 44.7% of the respondents.

Table 4.2 also shows that the category of 18-25 years dominated the sample by contributing 28.9% of the respondents. This was followed by the category of 26-30 years that contributed 40.8% of the respondents. This was further followed by the categories between 31-40 years that contributed. 45 and above years also then contributed and the category of 40-45 years had the least respondents of . This suggests that majority of the people working in SMEs in Mukono Central region are between 26-30 years and then followed by those between 18-25 years.

Table 4.2 shows that respondents whose level of education is degree dominated the study the sample by contributing 31.6%. Those of Certificate followed by contributing

26.3 % of the respondents, followed by those of diploma who dominated 23.7% and those with Master’s degree had the least contribution of 18.4%.

Table 4.2 shows the period of service in the organization each worker had in operation which was dominated by 1-3 years which was 31.6 which was the highest proportion of respondents who had been in service and followed by 4-6 years which a percentage of 26.3% and 7 years and above with also 26.3%. Those under less than a year were the least with 15.8%, implying that most SMEs have been in existence within a period of 1-3 years

Description of independent variables.

4.3 Role of Tally

The Role of Tally as a mobile accounting application . It consisted of six items. These were measured using a five-point Likert scale ranging from 1 – 5. Where (1) = strongly disagree, (2) = disagree, (3) = not sure (4) = agree and (5) = strongly agree as shown in Table 4.3.

Table 4.3: Statistics for Role of Tally

Role Of Tally	Agree F(%)		Disagree F(%)		Mean	SDV
	SA	A	DA	SDA		
1. Tally is user friendly and easy to navigate for managing financial transactions	34 (44.7)	20 (26.3)	8 (10.5)	2 (2.6)	4.06	1.232
2. Tally provides a comprehensive set of featured for accounting and financial management	28 (36.8)	35 (46.1)	5 (6.58)	1 (1.32)	4.01	1.113
3. Tally integrates effectively with other business applications and systems	26 (34.2.)	20 (26.3.)	8 (10.5)	2 (2.6)	3.47	1.540
4. Tally offers real time financial reporting and analysis capabilities	21 (27.6)	24 (31.6)	12 (15.7)	2 (2.6)	3.43	1.220
5. Tally ensures high accuracy in processing and recording financial data	28 (36.8)	29 (38.2)	14 (18.4)	4 (5.3)	4.04	1.025
6. Tally provides reliable customer support and troubleshooting assistance.	20 (26.3)	24 (31.8)	16 (21.1)	12 (15.9)	3.60	1.225

Source: Primary Data 2024

Table 4.3 reveals that, Tally has a significant impact on financial performance of SMEs for example Tally is user friendly and easy to navigate for managing financial transactions (mean 4.06 ,standard deviation 1.232)which showed that Tally has helped many SMEs in their financial transactions.

Table 4.3 tally ensures high accuracy in processing and recording financial data (mean 4.04, sdv 1.025) ,although the people who disagree had a percentage of 14 ,which showed that it has some limitations .

Table 4.4 statistics for role of QuickBooks

QUICKBOOKS	Agree F(%)		Disagree F(%)		mean	SDV
	SA	A	DA	SDA		
1. QuickBooks is intuitive and easy to use handling financial tasks	12 (15.9)	27 (35.5)	5 (6.6)	13 (17.1)	3.12	1.390
2. QuickBooks includes a broad range of features for effective financial management	25 (32.9)	18 (23.7)	14 (18.4)	7 (9.2)	3.52	1.400
3. QuickBooks integrates well with other business tools and applications	18 (23.7)	23 (30.3)	2 (2.6)	14 (18.4)	3.21	1.451
4. QuickBooks provides real time insights and reports on financial performance.	17 (22.4)	20 (26.3)	11 (14.5)	9 (11.8)	3.21	1.392
5. QuickBooks maintain accuracy in tracking and recording financial transactions.	27 (35.5)	19 (25.0)	7 (9.2)	10 (13.2)	3.48	1.513
6. QuickBooks offers strong customer support and resources for problem resolution.	21 (27.6)	10 (13.2)	11 (14.5)	13 (17.1)	2.99	1.531

Source: Primary Data 2024

Table 4.4 significantly shows that QuickBooks are important in the daily running of SMEs for example, QuickBooks maintain accuracy in tracking and recording financial transactions (mean =3.48 sdv =1.513) it also includes a broad range of features for effective financial management (mean=3.52, sdv=1.400) ,which suggests that respondents generally agree that QuickBooks has a broad range of features which are effective

Table 4.4 SMEs in Mukono Central division are satisfied with the way QuickBooks integrates well with other business tools and applications, a mean of (3.21) indicates moderate agreement about QuickBooks integration capabilities with a low standard deviation of (1.451)

Table 4.5: Role of Microsoft Excel

	Agree (F)%		Disagree (F)%		mean	SDV
	SD	A	DA	SD		
Microsoft Excel						
1. MS excel is easy to use for creating and managing financial spreadsheets.	23 (30.3)	18 (23.7)	3 (3.9)	7 (9.2)	3.28	1.562
2. MS excel offers a versatile set of features for financial calculations and data analysis.	19 (25)	20 (26.3)	15 (19.7)	8 (10.5)	3.27	1.434
3. MS integrates seamlessly with other applications and data sources	25 (32.9)	13 (17.1)	2 (2.6)	11 (14.5)	3.06	1.763
4. MS supports real time data updates and reporting.	10 (13.2)	27 (35.5)	12 (15.8)	2 (2.6)	2.95	1.430
5. MS excel ensures precision in financial data calculations and record keeping	25 (32.9)	19 (25)	3 (3.9)	8 (10.5)	3.28	1.561
6. MS excel provides adequate support and resources for troubleshooting and user guidance.	16 (21.2)	20 (26.3)	5 (6.6)	12 (15.8)	3.28	1.561

Source: Primary data July 2024

Table 4.5 above reveals that Microsoft Excel integrates seamlessly with other applications and data sources with a (mean=3.06 ,sdv=1.763) suggests a neutral point on Excel’s integration capabilities.it also indicates considerable variability with respondents having widely differing experiences.

Table 4.5table 4.5 shows how Microsoft excel provides adequate support and resources for trouble shooting and user guidance which yielded a mean of (3.28) and a (sdv of 1.561) hence showing a positive result of providing guidance to SMEs in Mukono Central Region

4.6 Firm’s financial performance

The dependent variable was the Firm’s financial performance, and how these mobile accounting applications affect performance of these SMEs 6 items scored on a five-point Likert scale ranging from 5=Strongly Agreed, 4=Agree,3= Not Sure, 2= Disagree, 1= Strongly Disagree and the findings are presented in Table 4.6.

Table 4.6: Firm’s financial performance.

Firms financial performance	Agree (F)%		Disagree (F)%		Mean	SDV
	SA	A	DA	SD		
1. Our firm has experienced significant revenue growth since implementing the mobile accounting applications.	15 (19.8)	27 (35.5)	11 (14.5)	10 (13.2)	3.08	1.030
2. The use of mobile accounting applications has led to increased cost efficiency in our financial operations.	23 (30.3)	18 (23.7)	15 (19.7)	11 (14.5)	2.52	1.123
3. Our firms profit margins have improved as a result of mobile accounting applications.	15 (19.7)	24 (31.6)	14 (18.4)	19 (25.0)	2.65	1.071
4. The accuracy of our financial records has enhanced with the use of mobile accounting applications.	28 (36.8)	16 (21.1)	12 (15.8)	11 (14.5)	2.67	1.124
5. The speed of financial decision making has increased due to real time insights provided by mobile accounting applications.	26 (34.2)	11 (14.5)	20 (26.3)	8 (10.5)	2.60	1.075
6. The quality of our financial reports has improved since adopting mobile accounting applications.	14 (18.4)	21 (27.6)	13 (17.1)	9 (11.8)	2.55	1.103

Source: Primary data July 2024

Table 4.6 reveals that, the firm has experienced significant revenue growth since implementing the mobile accounting applications (mean =3.08 and SDV= 1.030) Respondents also feel that the accuracy of financial records has improved ,though opinions vary on the point of accuracy of financial records has enhanced with the use of mobile accounting applications (Mean = 2.67.; Sdv =1.124).

Table 4.6 shows that firms profit margins have improved as a result of the mobile accounting applications (mean=2.65 SDV=1.071)

Table 4.6 reveals that the speed of financial decision making has increases due to real time insights provided by mobile accounting applications.(Mean=2.60)and standard deviation(1.103)

Chapter Five

Discussion of findings, Conclusion and Recommendations

5.1 Introduction

This chapter presents the summation, discussion, conclusions, and recommendations of the research study on the role of Tally, Microsoft Excel, and QuickBooks in regard to the financial performance at SMEs in Mukono. The sections covered will be a summary of the findings, followed by discussions, conclusions, recommendations, limitations, and avenues of further contribution.

5.2 Summary of the Study Findings

5.2.1 The Role of Tally on Financial Performance of SMEs

These findings showed that Tally enhances SME financial management in a highly integrated way, including financial, inventory, and tax management. Tally was also valued for efficiency and accuracy in error-free financial reporting. The use of Tally increased the accuracy in presentation and decision-making in SMEs regarding financial reports. Tally has also been found instrumental in enhancing the accuracy of financial books, compliance with tax laws, and timely reporting of finances. However, wider application, especially in rural areas, has been limited by problems such as a lack of training and support services.

5.2.2 The Role of Microsoft Excel on Financial Performance of SMEs

Microsoft Excel is flexible, adaptable, and not so costly; hence, most SMEs use it.

Excel is highly valued for handling big datasets and running complex calculations, which form the core of financial analysis. Excel is widely used in financial management because of its ease of use and affordability. Excel also finds wide application among SMEs in budgeting, financial forecasting, and data analyses. The SMEs utilizing Excel reported an improvement in making financial decisions and their general financial performance. However, with an Excel-based manual process, it is prone to errors and inefficiencies if not managed correctly.

5.2.3 The Role of QuickBooks on Financial Performance of SMEs

QuickBooks boasts an impressive suite of features, catering to the full finance and accounting needs of SMEs. Its value lies in how it can organize business operations-from payroll and invoicing to inventory management-and provide real-time views for decision-making.

QuickBooks has enhanced operational efficiency and, therefore, reduced costs for SMEs. Especially in Mukono, SMEs adopting QuickBooks realize increased profitability, manage

cash flow, and smoothen the financial processes. Despite these benefits, high costs and complexity of QuickBooks restrict smaller SMEs from accessing them.

5.3 Discussion of the Study Findings

The Literature Review section provides a critical review of how different accounting tools, namely Tally, QuickBooks, and Microsoft Excel, affect the financial performance among SMEs. Further in this section, we present a comparison and discussion of their implications based on the reviewed literature.

The role of Tally on financial performance of SMEs

Tally has been on record for improving the financial performances of SMEs. The world over, Tally is known for its robust features and ease of use, facilitating efficiency in the presentation of finances and minimizing errors in financial reporting. Kumar 2018; Brown, 2018 In Africa, Ugandan SMEs that have used Tally facilities have recorded improved financial transparency and operational efficiencies. Mbogo, 2019; MOFPED, 2009. For instance, specific case studies conducted in Mukono like Hajji Abasi's Mini Market Highlight Tally's impact on financial accuracy and decision-making. However, challenges such as limited training and support services in rural areas have been identified, suggesting a need for enhanced training programs.

The role of QuickBooks on financial performance of SMEs

QuickBooks is recognized globally because of its strong features and capabilities that allow integration, thus supporting better financial transparency and operational efficiency. This has led to improved financial management, reduction in costs, and better application of resources among SMEs in Africa. References: Adomako, M., & Danso, A. (2018). Adoption of cloud computing technology by small and medium scale enterprises: Conceptual framework. *Journal of Cloud Computing*, 7(1), 11-23. Brown, E. (2018). Cloud Computing. *British Journal of Nursing*, 27(12), 648-648. Global Business Insights. QuickBooks increased financial management practices and profitability for Ugandan SMEs, specifically in urban areas like Mukono. It requires, however, investment in high-cost and complex QuickBooks, which may turn out to be a limiting factor to the smaller SMEs, hence creating a need for cheaper solutions. This would mean that while QuickBooks has significant advantages, further research is required on pricing models and the impact of the tool on performance measures other than financial aspects.

The role of Microsoft Excel on financial performance

Microsoft Excel is globally celebrated for its flexibility and strong ability in data analysis, as widely supported by Wilson (2021) and Davis (1989). In Africa, due to its easy accessibility and affordability, it becomes a recurring tool among SMEs, thus helping them keep good financial records and analyzing them in detail, according to Oluoch (2019). Generally, in Uganda, Excel has become an everyday use tool for different accounting tasks. Other complementary accounting tools in use assist in improving financial management. MOFPED, 2009. For example, the case study in Mukono, such as Afaayo Charcoal Solutions, gives an overview of how Excel works at budgeting and financial forecasting. The chief limitations to Excel are its manual nature, which too often results in errors; hence, there is the need to raise the level of training as well as integration with other tools if its utility is to increase.

5.4 Conclusions of the Study

5.4.1 The Role of Tally on the Financial Performance of SMEs

It enhances the ease of managing finance through its comprehensive features, hence playing a very important role in improving the financial performance of SMEs. The study concludes that addressing challenges in limited training and support services is critical if SMEs in Mukono are to benefit maximally from using Tally.

5.4.2 The Role of Microsoft Excel on the Financial Performance of SMEs

Excel is an ideal tool that SMEs can adapt to easily, with flexibility and affordability concerns. However, the study concludes that SMEs in Mukono should adopt best practices and integrate Excel with other tools to minimize errors that may arise and increase efficiency in financial performance.

5.4.3 The Role of QuickBooks on Financial Performance of SMEs

QuickBooks significantly enhances the financial management and decision-making practices of SMEs, hence, their financial performance. From these findings, the study concludes that SMEs in Mukono require assistance in overcoming the stated cost and complexity barriers to better exploit the benefits of QuickBooks through specifically designed pricing models and focused training programs.

5.5 Recommendations of the Study

5.5.1 Enhancing Training and Support for Tally

The recommendations are that stakeholders such as government agencies and business associations should design and implement appropriate training programs to enhance the adoption of Tally among SMEs by ensuring its effective use. In addition, improving access to support services, especially in the rural areas, will enable the SMEs to realize full benefits from Tally.

5.5.2 Integrating Microsoft Excel with Other Tools

The SMEs should be encouraged to integrate Microsoft Excel with other accounting applications so that it becomes more functional with minimal errors. Additionally, training on best practices in the use of Excel in financial management is recommended, together with an examination into the opportunity to automate processes involving Excel wherever possible.

5.5.3 Supporting the Adoption of QuickBooks

For overcoming barriers related to cost and complexity with QuickBooks, it is recommended that the financial institutions and software providers scale down pricing models or offer versions that are appropriate for the needs of smaller SMEs. Targeted training and support services accompany QuickBooks to full utilization for enhancing the financial performance of SMEs.

5.6 Limitations of the Study

Some of the limitations in this study include possible biases from self-reported data from SMEs and differences in the level of familiarity with accounting software across the sample. These aspects might have weakened the accuracy and generalization perspective of the results. Moreover, geographic region coverage of this study may reduce the possibility of generalizing its findings to another region.

5.7 Contributions of the Study

This study adds knowledge to the literature on how accounting software has helped improve the financial performance of SMEs in Mukono. It offers evidence-based recommendations that might inform policy and practice in support of the growth and sustainability of SMEs within the region.

5.8 Areas for Further Research

Other future studies should investigate further the effect of other emergent accounting technologies on SMEs and also the long-term effects of Tally, Microsoft Excel, and QuickBooks on business growth and stability. Further studies could also look at how training and support services can be used to complement and maximize software use among SMEs. Non-financial performance measures such as customer satisfaction and productivity of employees may also be explored in future studies.

References.

- Adomako, S., & Danso, A. (2018). SME operational efficiency and the adoption of QuickBooks in Africa. *African Journal of Business Management*, 12(2), 85-97.
- Brown, P. (2018). The impact of Tally and QuickBooks on SME financial reporting. *Journal of Accounting Software Solutions*, 10(1), 25-33.
- Chen, J., & Chuang, L. (2019). Financial analysis with Excel: A guide for SMEs. *Journal of Financial Technology*, 15(3), 120-138.
- Clark, T. (2019). Mobile accounting applications and financial performance: A case study of Mukono SMEs. *East African Business Journal*, 11(4), 45-67.
- Davis, F. D. (1989). Perceived usefulness, perceived ease of use, and user acceptance of information technology. *MIS Quarterly*, 13(3), 319-340.
- Global Business Insights. (2022). Global adoption of mobile accounting applications: Trends and opportunities. *Global Business Review*, 14(2), 34-50.
- International Labour Organization (ILO). (2005). Financial inclusion and technology adoption in developing countries. *ILO Global Report on SMEs*.
- Johnson, A. (2019). The role of Excel in financial management for SMEs: A case study of Mukono District. *Uganda Journal of Business Administration*, 9(1), 39-52.
- Kintu, M., & Nakibinge, P. (2022). The adoption of QuickBooks and its impact on SME profitability: Evidence from Uganda. *Journal of East African Economics*, 5(2), 78-92.
- Kumar, R. (2018). The growing use of Tally in SME financial management: A global perspective. *International Journal of Accounting Systems*, 20(3), 99-112.
- Mbogo, D. (2019). Financial transparency through Tally: The African experience. *Journal of Accounting in Africa*, 7(1), 45-61.
- Ministry of Finance, Planning, and Economic Development (MOFPED). (2009). Promoting SME growth through financial technology. *Uganda Economic Report*.
- Muhwezi, A., & Ogutu, K. (2021). Adoption of Tally among SMEs in Uganda: A focus on Mukono District. *Journal of Accounting and Finance in Uganda*, 15(4), 88-102.
- Njoroje, B. (2019). How QuickBooks is transforming SMEs in East Africa. *East African Business Review*, 17(2), 55-70.
- Oluoch, S. (2019). Financial record keeping with Microsoft Excel: A case for African SMEs. *Journal of African Business*, 16(1), 67-83.
- Smith, J. (2020). The role of accounting software in improving financial accuracy for SMEs: A case study of Mukono. *Journal of Business Technology*, 12(3), 100-115.

- Wilson, K. (2021). Technology adoption and SME financial management: Insights from global markets. *Journal of Financial Management Systems*, 18(2), 60-75.
- World Bank. (2004). Financial inclusion in Uganda: A report on SME access to financial services. World Bank Economic Review.
- World Bank. (2020). Financial technology in Africa: Bridging the gap for SMEs. World Bank Development Report.
- Bryman, A. (2016). *Social research methods* (5th ed.). Oxford University Press.
- Bryman, A., & Bell, E. (2015). *Business research methods* (4th ed.). Oxford University Press.
- Creswell, J. W. (2014). *Research design: Qualitative, quantitative, and mixed methods approach* (4th ed.). SAGE Publications.
- Creswell, J. W., & Plano Clark, V. L. (2011). *Designing and conducting mixed methods research* (2nd ed.). SAGE Publications.
- Field, A. (2013). *Discovering statistics using IBM SPSS Statistics* (4th ed.). SAGE Publications.
- Hair, J. F., Black, W. C., Babin, B. J., & Anderson, R. E. (2010). *Multivariate data analysis* (7th ed.). Pearson.
- Krejcie, R. V., & Morgan, D. W. (1970). Determining sample size for research activities. *Educational and Psychological Measurement*, 30(3), 607-610.
- Kvale, S., & Brinkmann, S. (2015). *Interviews: Learning the craft of qualitative research interviewing* (3rd ed.). SAGE Publications.
- Patton, M. Q. (2002). *Qualitative research and evaluation methods* (3rd ed.). SAGE Publications.
- Saunders, M., Lewis, P., & Thornhill, A. (2016). *Research methods for business students* (7th ed.). Pearson.
- Sekaran, U., & Bougie, R. (2016). *Research methods for business: A skill-building approach* (7th ed.). Wiley.
- Tashakkori, A., & Teddlie, C. (2010). *SAGE handbook of mixed methods in social & behavioral research* (2nd ed.). SAGE Publications.
- Uganda Bureau of Statistics (UBOS). (2020). *Statistical abstract*. Uganda Bureau of Statistics.
- Uganda Investment Authority. (2016). *SME definition and criteria*. Uganda Investment Authority.
- Yin, R. K. (2018). *Case study research and applications: Design and methods* (6th ed.). SAGE Publications.

Appendices.

Appendix I: Questionnaire

Questionnaire for SMEs Using Mobile Accounting Applications

Dear respondent,

My name is Walubo Bob Gift. I am carrying out a study to examine the role of mobile accounting applications Tally, Quick Books and Microsoft Excel on the financial performance of SMEs in Mukono for the award of the Bachelor of Business Administration at Uganda Christian University. Your expertise and experiences are vital for this study. Kindly provide the most appropriate information as indicated in the questionnaire. The information provided will be used for academic purposes only and will be treated with utmost confidentiality.

If you agree, please tick the box and proceed to section I.

If you decline, do nothing and return the questionnaire to the researcher.

Thank you in advance.

Yours truly,

Signed

Walubo Bob Gift (Researcher)

Section I: Background Information

01	My Sex	Male Female	1 2
02	My age in years	Between18-25 Between26-30 Between31-40 Between40-45 45and above	1 2 3 4 5
03	Organization your working for	Retail Manufacturing Service Other (please specify)	1 2 3 4
04	My Position in the organization	_____ _____ _____	

05	Level of Education	Certificate	1
		Diploma	2
		Bachelor's Degree	3
		Master's Degree	4
		PhD	5
06	Period of Service in the organization	Less than a year	1
		1 - 3 years	2
		4 - 6 years	3
		7 years and above	4

Section II: Role of tally

Indicate the extent to which you agree with the following observations on the role of mobile accounting applications within your organization on a scale of (1) = strongly disagree, (2) = disagree, (3) = not sure (4) = agree (5) = strongly agree

TALLY

Scale	5	4	3	2	1
TALLY					
1. Tally is user friendly and easy to navigate for managing financial transactions	5	4	3	2	1
2. Tally provides a comprehensive set of features for accounting and financial management	5	4	3	2	1
3. Tally integrates effectively with other business applications and systems	5	4	3	2	1
4. Tally offers real time financial reporting and analysis capabilities	5	4	3	2	1
5. Tally ensures high accuracy in processing and recording financial data	5	4	3	2	1
6. Tally provides reliable customer support and troubleshooting assistance	5	4	3	2	1

Section 111: Role of QuickBooks

Quick Books

Scale	5	4	3	2	1
QUICKBOOKS					
1 QuickBooks is intuitive and easy to use for handling financial tasks	5	4	3	2	1
2 QuickBooks includes a broad range of features for effective financial management	5	4	3	2	1
3 Quick books integrates well with other business tools and applications	5	4	3	2	1
4 QuickBooks provides real time insights and reports on financial performance	5	4	3	2	1
5 QuickBooks maintain accuracy in tracking and recording financial transactions	5	4	3	2	1
6 QuickBooks offers strong customer support and resources for problem resolution	5	4	3	2	1

Section IV: Role of Microsoft Excel

Scale	5	4	3	2	1
MICROSOFT EXCEL					
1 MS excel is easy to use for creating and managing financial spreadsheets	5	4	3	2	1
2 MS excel offers a versatile set of features for financial calculations and data analysis	5	4	3	2	1
3 MS integrates seamlessly with other applications and data sources	5	4	3	2	1
4MS supports real time data updates and reporting	5	4	3	2	1
5 MS excel ensures precision in financial data calculations and record keeping	5	4	3	2	1
6 MS excel provides adequate support and resources for troubleshooting and user guidance	5	4	3	2	1

Section V:Firm,s financial performance

Indicate the extent to which you agree with the following observations on the level of financial performance within your organization on a scale of (1)=strongly disagree,(2)=disagree,(3)=not sure(4)=agree,(5)=strongly agree

Scale	5	4	3	2	1
Financial performance					
1 Our firm has experienced significant revenue growth since implementing the mobile accounting applications	5	4	3	2	1
2 The use of mobile accounting applications has led to increased cost efficiency in our financial operations	5	4	3	2	1
3 Our firm,s profit margins have improved as a result of sing mobile accounting applications	5	4	3	2	1
4 The accuracy of our financial records has enhanced with the use of mobile accounting applications	5	4	3	2	1
5 The speed of financial decision making has increased due to real time insights provided by mobile accounting applications	5	4	3	2	1
6 The quality of our financial reports has improved since adopting mobile accounting applications	5	4	3	2	1

Thank you for your participation

Appendix II: LETTER



**UGANDA CHRISTIAN
UNIVERSITY**

A Centre of Excellence in the Heart of Africa

SCHOOL OF BUSINESS

19th Aug, 2024

TO WHOM IT MAY CONCERN

Name: WALUBO BOB GIFT

Reg. No J22B05/206

A bachelor's student who is seeking permission from your office to collect data for her dissertation titled

THE ROLE OF MOBILE ACCOUNTING APPLICATIONS ON FINANCIAL PERFORMANCE OF SMALL AND MEDIUM ENTERPRISES (SMEs) IN MUKONO

We shall be grateful if you could render assistance to her in collecting the necessary data for her dissertation

The Uganda Christian University School of Business thanks you in advance

A handwritten signature in blue ink, appearing to read 'Mukisa Simon Peter'.

Mukisa Simon Peter
Research coordinator