

**BUDGETARY CONTROLS AND FINANCIAL PERFORMANCE OF
MANUFACTURING COMPANIES IN UGANDA: A CASE STUDY OF SOROTI
FRUITS LIMITED**

BY

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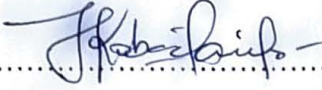


**A RESEARCH DISSERTATION SUBMITTED TO THE FACULTY OF BUSINESS
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DECEMBER, 2024

DECLARATION

I, **IKOBA DANIEL**, do here by declare that this report is my original work and has never been submitted to any institution or university for any academic award.

Signed..........

Date.....10/12/2024.....

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APPROVAL

This proposal certified “*Budgetary Controls and Financial Performance of Manufacturing Companies in Uganda: A Case Study of Soroti Fruits Limited*” is produced under my supervision and is now ready for submission to Gulu University with my due approval.

Signed.....
Dr. Nicholas Gregory Okello (PhD)

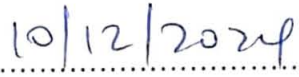
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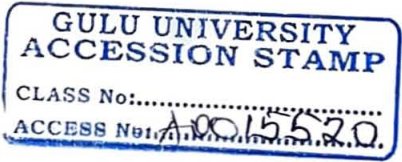
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Mr. Ocaya Patrick

(Supervisor)

Date.....

Date.....



DEDICATION

I commit this piece of research work to my dear Mom, Dad and wife for their unwavering backing and reassurance during the challenging time of graduate school and working life. I am sincerely grateful for having you in my life. I would like in a special way to dedicate this piece to my Son, Ian Arthur Opolot, who has been the reason behind my tireless efforts.

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I wish to candidly recognize the grace and mercies of the Most High God, who miraculously protected and guided my path throughout this period of study.

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LIST OF ABBREVIATIONS & ACCRONYMS

ABC:	Activity Based Costing
CVI:	Content Validity Index
ESG:	Environmental, Social and Governance
GAAP:	Generally Accepted Accounting Principles
IFRS:	International Financial Reporting Standards
OP:	Operational Performance
ROA:	Return on Asset
ROE:	Return on Equity
ROI:	Return on Investments
SPSS:	Statistical Package for the Social Sciences

ABSTRACT

Budgetary control plays crucial role in improving performance of an enterprise. This study investigated the effect of budgetary control on financial performance of manufacturing companies; the case of Soroti Fruits Limited. The objectives of the study were: to examine the budgetary control practices; to assess the level of financial performance; to examine the effect of budgetary controls on financial performance and to determine the moderating effect of business culture on the relationship between budgetary control and financial performance. The study used cross-sectional research design with a quantitative approach. Data was collected from 103 respondents using questionnaire and analysis was conducted using descriptive and inferential statistics with the help of SPSS Version 25.0. Study result revealed a moderate level of implementation of all the elements of budgetary control measures and average level of financial performance. The study revealed a strong significant relationship between all the dimensions of budgetary control and financial performance; cost allocation and variance analysis significantly affect financial performance. Finally, business culture has a significant moderation effect on the relationship between budgetary control and financial performance. The study concluded that: Cost allocation and variance analysis play pivotal roles in influencing Soroti Fruits Limited's financial performance; and that business culture influences the role that budgetary control play in enhancing the financial performance. The study recommended that: measures to improve financial performance should focus cost allocation and variance analysis; Soroti Fruits Limited should cultivate a supportive and adaptive organizational culture that aligns with its budgetary control practices.

CHAPTER ONE

INTRODUCTION

1.0 Introduction

The purpose of the study was to establish the relationship between budgetary controls and financial performance of manufacturing companies. In this study, budgetary control is conceived as the independent variable and financial performance as the dependent variable. Budgetary control system enables management more effectively to plan, coordinate, control and evaluates its activities. It is a device intended to provide greater effectiveness in achieving organizational efficiency (Langfield, 2018). Budgetary control helps planning, coordination between departments, decision-making, monitoring of operating results and motivation of personnel to achieve company objectives. A budgetary control enables management of manufacturing companies more effectively to plan, coordinate, control and evaluates its activities. It is a device intended to provide greater effectiveness in improving financial performance of a company. Budgetary control prevents wastage or reckless spending of funds provided for various educational services. The subject of financial performance has received significant attention from scholars in the various areas of business and strategic management. It has also been the primary concern of business practitioners in all types of organizations since financial performance has implications to organization's health and ultimately its survival. This chapter presents the background, problem statement, purpose, objectives, research questions, research hypothesis, scope of the study, justification, study significance, conceptual framework, and operational definitions.

1.1 Background to the study

The section covers background to the study particularly focusing on the historical, theoretical conceptual and contextual backgrounds as presented below:

1.1.1 Historical Background

The concept of financial performance, broadly defined as the evaluation of an organization's ability to generate profits and create value for its stakeholders, has a rich historical background that spans centuries of economic and business development. The evolution of financial performance measurement can be traced back to early accounting practices and the emergence of capitalism, with significant advancements occurring throughout history to meet the changing needs of businesses, investors, and regulators (Chandler, 1977).

The roots of financial performance measurement can be traced back to ancient civilizations, where rudimentary accounting systems were developed to track economic transactions and assess the financial health of businesses. For example, in ancient Mesopotamia, clay tablets were used to record commercial transactions, including sales, purchases, and payments, providing early forms of financial record-keeping.

The rise of capitalism in Europe during the late middle Ages and Renaissance period brought about significant advancements in financial reporting and performance measurement. With the expansion of trade and commerce, merchants and traders began to use double-entry bookkeeping systems to record transactions and calculate profits. Italian mathematician Luca Pacioli's seminal work "Summa de Arithmetica" in 1494 laid the foundation for modern accounting principles, including the concept of debits and credits, which revolutionized financial reporting practices (Chandler, 1977).

The Industrial Revolution of the 18th and 19th centuries marked a transformative period in business and finance, as the rise of manufacturing and industrialization led to the formation of large-scale enterprises and corporations. With the growth of capital markets and the emergence of joint-stock companies, investors sought better ways to assess the financial performance and profitability of these new business entities. This period saw the development of financial ratios, such as return on investment (ROI) and profit margin, as tools for evaluating corporate performance and investment opportunities (Saunders, 2014).

The 20th century witnessed significant advancements in financial management and performance measurement, driven by technological innovation, globalization, and regulatory reforms. The establishment of standardized accounting principles, such as Generally Accepted Accounting Principles (GAAP) and International Financial Reporting Standards (IFRS), helped standardize financial reporting practices and enhance comparability across industries and countries. The advent of computers and digital technology revolutionized financial analysis and reporting, enabling faster data processing, modeling, and decision-making (Van horne, 2015).

In the 21st century, financial performance measurement continues to evolve in response to changing business dynamics, stakeholder expectations, and regulatory requirements. There is a growing emphasis on integrated reporting, sustainability, and environmental, social, and governance (ESG) factors as integral components of financial performance assessment. Investors, regulators, and other stakeholders are increasingly demanding more transparent, comprehensive, and forward-looking measures of financial performance that take into account not only traditional financial metrics but also non-financial indicators of value creation and long-term sustainability (Eccles, & Krzus, 2010).

1.1.2 Theoretical Background

The study was guided by the Traditional budgeting theory, also known as incremental budgeting which is a foundational approach to budgeting that emphasizes historical data and incremental changes in budget allocations from one period to the next. It was introduced in the early to mid-20th century as a management tool to plan, control, and allocates resources within organizations. Proponents of traditional budgeting theory argue that budgets serve as detailed financial plans that set targets for revenues, expenses, and other financial metrics based on past performance and existing operating conditions (Horngren, Datar & Rajan, 2012).

The main premise of traditional budgeting theory is that organizations can achieve financial control and performance improvement by setting fixed targets and monitoring actual results against these targets through variance analysis. Under this approach, budgets are typically developed through top-down goal setting, where senior management establishes overall financial targets and allocates resources to different departments or cost centers based on historical data, departmental needs, and strategic priorities (Hansen & Mowen, 2007).

Despite these criticisms, traditional budgeting theory continues to be widely used in many organizations due to its familiarity, simplicity, and perceived effectiveness in providing a framework for financial planning and control. However, the constructs of cost allocation, funds accountability and variance analysis being used in this study are derived from the theory.

Furthermore, Beyond the budgeting theory introduced by Jeremy Hope and Robin Fraser introduced was used to guide this study. The theory argued that traditional budgeting processes are often bureaucratic, time-consuming, and fail to drive performance improvement

effectively (Hope & Fraser, 2003). Contributions to organizational goals through collaboration are key focus of beyond budgeting theory.

Beyond budgeting theory challenges the traditional approach to budgeting by advocating for more flexible, adaptive, and decentralized management practices. Proponents of beyond budgeting argue that traditional budgets are rigid, time-consuming, and often demotivating for employees, leading to suboptimal performance and innovation stifling. Instead of fixed annual budgets, beyond budgeting encourages dynamic forecasting, rolling forecasts, and performance-based incentives to empower managers, promote agility, and align organizational efforts with strategic priorities. This theory emphasizes the importance of continuous learning, collaboration, and responsiveness to changing market conditions in achieving sustainable competitive advantage (Davila, Epstein, & Shelton, 2006).

1.1.3 Conceptual background

Budgetary control is a fundamental management practice that involves planning, implementing, and monitoring budgets to achieve organizational objectives. It provides a structured approach to resource allocation and management. Budgets act as tools for communication, coordination, and control across various departments and functions within an organization. Effective budgetary control enhances financial discipline, accountability, and resource optimization (Anthony & Young, 2013).

Financial performance encompasses a range of metrics that reflect an organization's fiscal health and success. Metrics include profitability, liquidity, and efficiency. Effective budgetary control directly influences financial performance by ensuring prudent resource allocation, expense management, and alignment with strategic goals (Ittner & Larcker, 2013).

Financial performance is the extent to which financial goals are accomplished. It is the process of ascertaining actual operations outcome as compared to set financial goals of a corporate expressed in monetary terms (Peterson, 2019). According to Colin (2022), financial performance is related to the ability of the small business to keep its mission, programs, goals and activities aligned with its key stake holders and constituents. Financial performance is the subjective measure of how well a firm can use assets from its primary mode of business and generate revenue (Powers, 2022). According to Kennedy and Macmillan (2019), financial performance is a scientific evaluation of profitability and financial strength of any business concern. Performance includes regular activities to establish business goals monitor progress towards the goals and make adjustment to achieve those goals more effectively and efficiently (Johnson, 2018).

The performance is taken to be a function of an organization's ability to meet its goals and objectives by exploiting the available resources in an efficient and effective way and increased level of profits (Ogbadu, 2021). The level of knowledge in internal control system relates positively with return on investment, profits and revenue. This seems to agree with Ray and Pany (2019)'s belief that "knowledge of internal control systems help in improving financial performance".

Organization's financial Performance (OP) is partly dependent on its technology, processes, systems and employees. It is concerned with efficiency and effectiveness of operation. It is an indicator which measures how well an enterprise achieved their objectives(Dauda, 2019). Mazikana (2020)puts forward major areas in which performance can be examined. These include: efficiency, revenue generated, liquidity managerial styles and asset position. It can be said that budgetary control is one of the key tool which leads to the realization of benefits in the performance in the organization. Budgetary control involves the preparation of a

budget, recording of actual achievements, ascertaining and investigating the differences between actual and budgeted performance and taking (Adams et al, 2003) as cited by Miraji, (2017).

1.1.4 Contextual background

In America, Giri & Janakiraman, (2011) examined the impact of budgetary participation and budget emphasis on the financial performance of firms in the United States. The study found that higher budget participation and greater budget emphasis were associated with better financial performance. In a study by Santos, Kennerley & Micheli (2012), the relationship between budgetary control practices and financial performance was explored in Latin American companies. The study highlighted the importance of aligning budgetary control with strategic priorities to enhance financial outcomes. In this study budgetary control was found to be positively associated with financial outcomes.

Study in Europe was conducted to investigate the impact of budget participation and procedural fairness on managers' job satisfaction and financial performance. The study emphasized the role of cultural differences in influencing the relationship between budget participation and financial outcomes. Further still, the study found budget participation to be positively associated with financial outcomes (Van der Stede, & Chow, 2016).

In Asia, a study by Tsui & Jaggi (2017) examined the relationship between budget participation and performance in manufacturing firms in Hong Kong and Australia. The study found that while budget participation had a positive impact on performance in both regions, the effect was stronger in the Australian sample. All in all, the study emphasized the importance of budgetary control in ensuring good performance of entities.

In Africa, Nyamwange & Nyamwange (2016) conducted a study in Kenya to examine the relationship between budgetary control and financial performance of public universities. The

study investigated how budgetary control practices, including budgetary participation and budget monitoring, influenced financial performance indicators such as revenue generation and cost management. The study emphasized the importance of budgetary control in revenues generation and cost management, thereby, influencing the overall financial performance.

In Uganda, a conducted study to examine the relationship between budgetary control practices and financial performance in Ugandan manufacturing firms explored how budgetary control components, such as budgetary participation, budget monitoring, and budgetary feedback, influenced financial outcomes such as profitability and cost efficiency. Overall, budgetary control was found to influence financial outcomes (Ogwang & Karamagi, 2017).

Manufacturing in Uganda has undergone significant transformations over the years, with various industries emerging to contribute to the country's economic development. One notable example is the Soroti Fruits Limited, which has played a crucial role in the development of the agro-processing sector and the promotion of value addition in Uganda's agricultural supply chain.

Uganda has a rich agricultural heritage, with fertile soils and favorable climatic conditions supporting the cultivation of a wide range of crops, including fruits. Historically, agriculture has been the backbone of Uganda's economy, providing livelihoods for the majority of the population and serving as a key source of export earnings.

In the latter half of the 20th century, Uganda began to witness the emergence of manufacturing industries, driven by efforts to promote industrialization and diversify the economy. However, political instability and economic challenges, including the expulsion of Asian business owners in the 1970s, led to a decline in industrial production and the closure of many manufacturing facilities.

In recent years, there has been a renewed focus on revitalizing Uganda's manufacturing sector, with initiatives aimed at attracting investment, promoting local production, and adding value to agricultural products. The establishment of the Soroti Fruits Limited in Soroti District is a testament to these efforts. The Soroti Fruits Limited, commissioned in 2019, is a state-of-the-art facility specializing in the processing of fruits, particularly mangoes, into fruit pulp and juice concentrates. The factory was established as part of the Ugandan government's efforts to promote agro-processing, enhance value addition in the agricultural sector, and create employment opportunities in rural areas.

The Soroti Fruit Factory has had a significant impact on the local economy, providing market opportunities for smallholder farmers, generating income for rural communities, and contributing to the country's export earnings. By adding value to locally grown fruits, the factory has helped to reduce post-harvest losses, improve food security, and stimulate economic growth in the region. The Soroti Fruits Limited exemplifies the potential of manufacturing industries to drive economic development, create employment opportunities, and add value to Uganda's agricultural sector. Through strategic investments and supportive policies, Uganda can leverage its natural resources and agricultural potential to further strengthen its manufacturing base and achieve sustainable economic growth (Uganda Investment Authority, 2019).

1.2 Statement of the Problem

In recent times, manufacturing companies like Soroti Fruits Limited have performed poorly despite the massive investments in infrastructures and human resources (Jackson, 2022). Despite the fact that Soroti Fruits Limited presents the art on industrialization in the eastern region of Uganda with substantial financial support from the government and social support from the community, the financial performance of the company has remained poor in terms

of profitability as reflected in the (Soroti Fruits Limited annual financial reports, 2021/2022; Uganda Investments Authority, 2023) . However, Saunders (2019) highlights that effective budgetary control has a significant positive effect on financial performance. Therefore, this study focused on the effect of budgetary control on the financial performance of a manufacturing company, the case of Soroti Fruits Limited.

1.3 Purpose of the Study

The purpose of the study was to investigate the relationship between budgetary controls and financial performance of manufacturing companies in Uganda; the case of Soroti Fruits Limited.

1.4 Specific objectives of the Study

The study was premised on the following research objectives

- i. To examine the budgetary control practices in Soroti Fruits Limited.
- ii. To assess the level of financial performance in Soroti Fruits Limited.
- iii. To examine the effect of budgetary controls on financial performance of Soroti Fruits Limited.
- iv. To determine the moderating effect of business culture on the relationship between budgetary control and financial performance in Soroti Fruits Limited

1.5 Research Questions

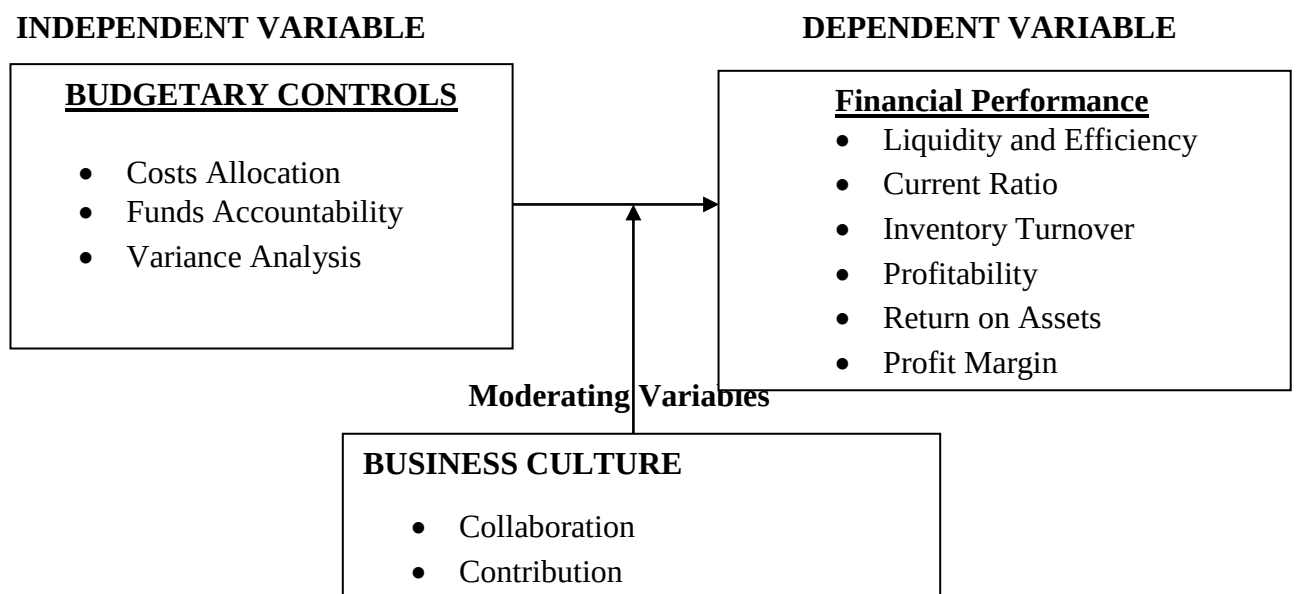
The study answered the following questions

- i. What are the budgetary control practices in Soroti Fruits Limited?
- ii. What is the level of financial performance in Soroti Fruits Limited?
- iii. What is the effect of budgetary controls on financial performance of Soroti Fruits Limited?

- iv. What is the moderating effect of business culture on the relationship between budgetary control and financial performance of Soroti Fruits Limited?

1.6 Conceptual Framework

Figure 1 below shows the conceptual framework adopted for the study.



Source: Adapted with Modification from Ogbadu (2021)

Figure 1: Conceptual framework on budgetary Control and Financial Performance

The independent variable would be budgetary control whose dimensions included: Costs Allocation, funds Accountability and variance analysis. On the other hand, financial performance of Soroti Fruits Limited will be measured in terms of liquidity and efficiency ratios whose dimensions include the current ratio and inventory turnover; and profitability ratio whose dimensions include return on assets and profit margin. However, Business culture in the forms of collaboration and contribution will be used as moderating variable.

1.7 Significance of the Study

The study findings may be used by Government of Uganda to set and define priorities in budgeting and also determine mitigation measures to budgetary challenges. To that extent,

this study is critical and timely considering public outcry on delays in implementation of budgets.

The study findings may also guide policy makers on budgeting and all stakeholders managing budgets in general to design robust mechanism for proper budgeting.

Furthermore, the study findings may contribute to the existing body of knowledge on budgetary control and financial performance. Accordingly, the study findings may inform future research by providing a foundation to indicate areas of further research to subsequent scholars in the field of contractor selection and monitoring.

1.8.0 Scope of the Study

1.8.1 Content scope

The study examined the relationship between budgetary controls and financial performance of manufacturing companies. The subject matter will be based on the benefits of budgetary controls, the level of financial performance, the relationship between budgetary controls and financial performance and the moderating effect of business culture on financial performance in manufacturing company.

1.8.2 Geographical scope

The research was carried out in Soroti Fruits Limited. The factory is located in Arapai Industrial Park, in Arapai sub-county, Soroti District, on the outskirts of the city of Soroti, approximately 299 kilometres (186 mi), by road, north-east of Kampala, Uganda's capital and largest city. The geographical coordinates of the fruit processing facility are: 01°46'32.0"N, 33°37'05.0"E.

1.8.3 Time scope

The study covered a period of 5 years from 2019 to 2024. This period was selected because it represents the period when Soroti Fruits Limited fully started its commercial operations.

1.10 Operational definition to key terms and concepts

Budgetary control is the process of developing a spending plan and periodically comparing actual expenditures against that plan to determine if it or the spending patterns need adjustment to stay on track.

Performance is defined as the extent to which employees' interests and values are congruent with the company.

Financial performance: Refers to the process of assessing financial progress right from the initial budgeting stage up to the periodic reporting stage. Financial performance was operationalized to mean financial compliance, reliability and ratio analysis.

CHAPTER TWO

LITERATURE REVIEW

2.0 Introduction

The study investigated the effect of budgetary control on the financial performance of manufacturing companies. In this chapter, theoretical and related literature by different Authors is reviewed. The review focused on the literature relating to budgetary control, how it relates to financial performance of the company.

2.1 Theoretical literature review

This section covers theoretical review in which case traditional budgeting theory and beyond budgeting theory was used as the key theories that guided the study.

2.1.1 Traditional Budgeting Theory

The study was guided by the Traditional budgeting theory, also known as incremental budgeting which is a foundational approach to budgeting that emphasizes historical data and incremental changes in budget allocations from one period to the next. It was introduced in the early to mid-20th century as a management tool to plan, control, and allocates resources within organizations. Proponents of traditional budgeting theory argue that budgets serve as detailed financial plans that set targets for revenues, expenses, and other financial metrics based on past performance and existing operating conditions (Horngren, Datar & Rajan, 2012).

The main premise of traditional budgeting theory is that organizations can achieve financial control and performance improvement by setting fixed targets and monitoring actual results against these targets through variance analysis. Under this approach, budgets are typically

developed through top-down goal setting, where senior management establishes overall financial targets and allocates resources to different departments or cost centers based on historical data, departmental needs, and strategic priorities (Hansen & Mowen, 2007).

Once budgets are established, they serve as benchmarks for evaluating performance and making resource allocation decisions. Managers are expected to adhere to budgetary targets and control costs within their allocated budgets. Variance analysis is used to compare actual performance against budgeted targets, identify discrepancies or variances, and take corrective actions as needed to address deviations from the plan (Rajan, 2012).

Proponents of traditional budgeting theory argue that this approach provides a structured framework for financial planning and control, promotes accountability, and facilitates coordination and communication within organizations. By setting clear targets and monitoring performance against these targets, traditional budgeting theory aims to improve efficiency, reduce waste, and enhance financial performance over time (Otley, 2016).

However, traditional budgeting theory has been criticized for several limitations. One of the main criticisms is its rigidity and inflexibility, as budgets are often based on static assumptions and may not adequately adapt to changing market conditions or unforeseen events. Additionally, traditional budgeting can be time-consuming and bureaucratic, leading to a focus on meeting budget targets rather than achieving broader strategic objectives (Hansen & Mowen, 2007).

Despite these criticisms, traditional budgeting theory continues to be widely used in many organizations due to its familiarity, simplicity, and perceived effectiveness in providing a framework for financial planning and control. However, the constructs of cost allocation, funds accountability and variance analysis being used in this study are derived from the theory.

2.1.2 Beyond Budgeting Theory

Jeremy Hope and Robin Fraser introduced the Beyond Budgeting concept in their book “Beyond Budgeting: How Managers Can Break Free from the Annual Performance Trap.” They argued that traditional budgeting processes are often bureaucratic, time-consuming, and fail to drive performance improvement effectively (Hope & Fraser, 2003). Contributions to organizational goals through collaboration are key focus of beyond budgeting theory.

Beyond budgeting theory challenges the traditional approach to budgeting by advocating for more flexible, adaptive, and decentralized management practices. Proponents of beyond budgeting argue that traditional budgets are rigid, time-consuming, and often demotivating for employees, leading to suboptimal performance and innovation stifling. Instead of fixed annual budgets, beyond budgeting encourages dynamic forecasting, rolling forecasts, and performance-based incentives to empower managers, promote agility, and align organizational efforts with strategic priorities. This theory emphasizes the importance of continuous learning, collaboration, and responsiveness to changing market conditions in achieving sustainable competitive advantage (Davila, Epstein, & Shelton, 2006).

Kaplan and Norton (2003), known for their Balanced Scorecard framework, have advocated for a more balanced approach to performance management. They emphasize the importance of aligning strategic objectives with operational measures and incentives to drive organizational success, rather than relying solely on budgetary targets.

The Beyond Budgeting theory challenges traditional budgeting practices and proposes alternative approaches to management and control. It advocates for more flexible, adaptive, and decentralized systems that empower employees and align with strategic goals.

The Beyond Budgeting theory proposes moving away from rigid budgetary control mechanisms towards more dynamic, decentralized control systems. It suggests that traditional

budgets often lead to gaming behaviors, short-term focus, and a lack of accountability. Instead, proponents argue for continuous planning, rolling forecasts, and performance metrics that are aligned with strategic objectives. This approach fosters greater flexibility, agility, and responsiveness to changing market conditions (Otley, 2016).

Beyond Budgeting theory suggests that by adopting more adaptive management practices, organizations can achieve superior financial performance. By focusing on strategic value creation, customer satisfaction, and employee empowerment, companies can drive sustainable growth and profitability. Rather than being solely driven by meeting budget targets, financial performance is seen as a result of effectively executing strategic initiatives, fostering innovation, and building a culture of continuous improvement.

2.2 Budgetary Control

Garrison, (2022) postulates that budgetary control is part of planning you start with setting your objectives and then you draw up action plans and budgets. Unless you know how much money you will need to carry out your plans, and where you expect to get that money from, you may end up halfway through the year with no money to go any further. Preparing a budget forces you to plan your spending and your fund-raising and to be realistic about what you can afford to do. Without a Budgetary control there can be no effective implementation (David, 2018).

According to Arnold, (2019), budgetary control is structured to detail projections on incomes and expenses on both a long-term and a short-term basis. Budgets of this type normally incorporate aspects of other types of budgeting strategies, including the preparation of a detailed budgeted balance sheet, a section that functions as a flow budget and addresses the receipt of income and the flow of expenses on an annual, semi-annual, and a monthly basis. It typically covers a period of at least one year, although it is not unusual for some

organizations to prepare this kind of budget to cover anywhere from two to five years at a time. There are a number of advantages associated with a well-crafted budgetary control. One has to do with the process of setting short-term and long-term goals for the organization (Hofstede, 2018). He stipulates that the information used to create the budget is accurate; the document serves as a blueprint for operations from month to month, while still making it possible to consider the long-term advantages of staying within that budget. From this perspective, it becomes a powerful tool for measuring how well the organization is doing with meeting its long-term financial goals, and being able to periodically report those findings to shareholders or organization members in a timely manner (Hofstede, 2022).

Saunders (2018), says that the budgetary control is management's approximation of cash on hand at the beginning of a budget period and the estimated cash inflows and outflows. The cash inflows may include those that result from cash sales, the sale of assets, the collection of accounts receivable, borrowing cash or stock issuance. The cash outflows may include disbursements for material purchases, debt repayment, asset acquisition, taxes, manufacturing costs and dividends. The cash budget highlights the industry's probable income or deficit for a period, the latter of which the company must address by increasing sales or decreasing expenditures. The importance of the Budgetary control lies in its ability to identify a company's future financing needs, highlight the need for corrective actions and evaluate the financial performance of an industry (Bruns and Waterhouse, 2016).

Budgetary control for future financial performance opportunities ensures that industries have capital on hand when needing to make quick decisions for expanding business operations. This capital may also be used during slow economic times as a safety net for paying regular business expenses, Bourne, (2018) Budgetary control often allows industries to have a financial roadmap for business operations, Simons (2019), many companies review previous

year's budgets to determine how well they followed the guidelines and why variances budget occurred. Not all budget variances may indicate a negative business situation. If budget variances occurred due to unexpected financial performance in sales revenue, companies may need to increase the budget amounts for future sales increases. Industries often use budgetary control to plan for future business financial performance and expansion. Capital saved on regular business expenditures may be placed into a special reserve account designated for selecting new business opportunities (Merchant, 2019).

2.2.1 Cost Allocation

Cost allocation is a fundamental aspect of budgetary control that involves assigning indirect costs to specific cost centers or activities based on predetermined allocation methods. Effective cost allocation enables organizations to accurately track and control expenses, allocate resources efficiently, and make informed decisions regarding resource allocation and pricing strategies. Various allocation methods, such as activity-based costing (ABC), job costing, and overhead allocation, are used to allocate costs to relevant cost centers or activities based on their usage or consumption of resources (Bryman, 2019).

Research has explored the importance of cost allocation in enhancing budgetary control and financial management practices. For example, Arnold & Garrison (2022) conducted a study to evaluate the effectiveness of different cost allocation methods in the healthcare industry. Their research found that adopting activity-based costing (ABC) resulted in more accurate cost allocation and better cost control compared to traditional allocation methods. This highlights the importance of implementing appropriate cost allocation techniques tailored to the specific needs and characteristics of the organization.

Additionally, cost allocation plays a crucial role in facilitating performance measurement and evaluation. By allocating costs to relevant cost centers or activities, organizations can assess

the efficiency and effectiveness of resource utilization, identify areas of inefficiency or overspending, and take corrective actions to improve performance. Gupta et al. (2022) conducted a study to examine the impact of cost allocation on organizational performance in the manufacturing sector. Their research found a positive relationship between effective cost allocation practices and financial performance, emphasizing the importance of cost allocation in enhancing budgetary control and overall organizational effectiveness.

In summary, cost allocation is a critical component of budgetary control that enables organizations to track and control expenses, allocate resources efficiently, and make informed decisions regarding resource utilization and pricing strategies. Research highlighted the importance of adopting appropriate cost allocation methods tailored to the specific needs and characteristics of the organization, as well as the role of cost allocation in facilitating performance measurement and evaluation.

2.2.2 Funds Accountability

Funds accountability involves ensuring that allocated funds are used efficiently, effectively, and in accordance with established budgets and regulations (Saunders, 2018). Research on the challenges and best practices for enhancing funds accountability in nonprofit organizations highlights the importance of donor stewardship, transparency, and outcome measurement in building trust and credibility with stakeholders (Bruns & Waterhouse, 2016). The study discusses the role of fund accounting software, internal controls, and governance structures in promoting accountability and compliance with regulatory requirements. Moreover, they emphasize the need for capacity-building initiatives and professional development programs to strengthen financial management capabilities within nonprofit sectors.

Simons & Drury (2019) analyzed the impact of Government Accountability Office (GAO) audits on funds accountability in public sector agencies. Their study examines audit findings related to budget execution, financial reporting, and internal controls across various government programs. The research highlights the role of audit recommendations in identifying weaknesses in funds management practices and improving accountability mechanisms. Additionally, they discuss the importance of timely corrective actions and performance measurement frameworks in addressing audit findings and enhancing transparency in government expenditures.

Gupta and Singh (2014) explored the potential of block chain technology in enhancing funds accountability in international development projects. Their research discusses the use of block chain-based smart contracts and decentralized ledger systems to track fund disbursements, monitor project milestones, and verify beneficiary transactions. Similarly, Bourne (2018) highlights the transparency, immutability, and security features of block chain-enabled funds accountability platforms in mitigating fraud risks and ensuring donor confidence and the scalability and interoperability challenges associated with implementing block chain solutions in complex multi-stakeholder environments.

2.2.3 Variance Analysis

Variance analysis involves comparing actual performance against budgeted expectations to identify deviations and take corrective actions (Van Horne, 2015). Scholars proposed integrated variance analysis frameworks for strategic performance management exploring the linkage between operational, financial, and strategic performance metrics to identify root causes of variances and align resource allocation with organizational goals (Baurer & Sweeney, 2023). The study highlights the role of advanced analytics, predictive modeling, and scenario planning techniques in enhancing variance analysis capabilities. Additionally,

the study discussed the importance of dynamic budgeting and rolling forecasts in adapting to changing market conditions and improving decision-making agility.

Park and Kim (2022) reviewed experimental studies on the behavioral aspects of variance analysis. Their research examines how cognitive biases, motivational factors, and organizational culture influence managers' interpretation of variance reports and decision-making processes. The study highlights the significance of psychological factors, such as overconfidence, anchoring, and risk aversion, in shaping managers' responses to variance information. Furthermore, the implications of behavioral economics principles for designing incentive systems and performance evaluation frameworks promote accountability and learning from variances (Sweeney, 2019).

Bennet (2019) explored the applications and challenges of real-time variance analysis in manufacturing operations. Their research discusses the integration of sensor-based data acquisition systems, internet of things devices, and cloud computing platforms for continuous monitoring of production processes and product quality. The study highlights the potential of artificial intelligence and machine learning algorithms in detecting anomalies, predicting variances, and optimizing production schedules. In addition, Rajan (2019) discusses the importance of cross-functional collaboration and change management initiatives in overcoming resistance to adopting real-time variance analysis methodologies.

In summary, research highlights the evolving nature of cost allocation, funds accountability, and variance analysis as essential components of budgetary control. Advances in technology, regulatory requirements, and organizational practices influence how these concepts are understood and applied in contemporary business environments. Companies must stay abreast of emerging trends and best practices to enhance financial transparency, optimize resource allocation, and drive performance improvement initiatives effectively.

2.3 Financial Performance

The financial performance of the organization is measured basing on liquidity, profitability, repayment capacity and financial efficiency of the business. Liquidity measures the ability of the firm business to meet financial obligations as they come due, without disrupting the normal, ongoing operations of the business. Liquidity can be analyzed both structurally and operationally. Structural liquidity refers to balance sheet measures of the relationships between assets and liabilities and operational liquidity refers to cash flow measures, (Musgrave, 2019).

Baurer, (2023) stipulates that other measures of financial performance are the current ratio and working capital. The current ratio measures the relationship between total current firm assets and total current firm liabilities. The higher the ratio, the more liquid the firm is considered to be. Working capital is a measure of the amount of funds available to purchase inputs and inventory items after the sale of current firm assets and payment of all current firm liabilities, (Baurer, 2023). Maintaining values and culture is crucial to long-term sustainability and financial performance, and a strong argument can be made that these two areas indirectly impact financial performance. Having core values and strong culture gives employees purpose, value and guidance for making key decisions. Continually investing in these areas is key; they will help guide the business through seasons of change, (Rajan, 2019).

A small company often captures its working knowledge in the minds of its early employees for it to attain financial performance. As a result, you may struggle to educate new hires, and some people may have a disproportionate amount of power or responsibility. It is imperative to clearly define each person's role in the company, especially when you start to grow. This includes the founding team and that first hires (Sweeney, 2019).

2.3.1 Liquidity and Efficiency

Liquidity measures a company's ability to meet its short-term financial obligations. It's crucial for maintaining operational stability and solvency (Zhang & Lee, 2023). Efficiency measures a company's ability to utilize its resources effectively to generate profits. It encompasses operational performance and resource allocation optimization (Kim & Park, 2013).

Zhang and Lee (2023) examined the relationship between liquidity and firm value in emerging markets. Their research highlights liquidity as a critical determinant of investor perception and stock valuation. The study suggests that companies with higher liquidity ratios tend to attract greater investor confidence and command premium valuations. Moreover, they emphasize the role of liquidity management policies in mitigating financial distress and enhancing shareholder wealth creation in volatile market conditions.

Gupta et al (2023) explored the relationship between working capital efficiency and liquidity management practices. Their findings suggest a positive correlation between efficient working capital utilization and liquidity ratios. The study advocates for a holistic approach to liquidity management, integrating cash flow forecasting, inventory optimization, and accounts receivable/payable management. Moreover, they highlight the role of supply chain finance solutions and dynamic discounting programs in improving liquidity conversion cycles and cash flow predictability.

Kim and Park (2023) investigated the relationship between efficiency and firm performance in the manufacturing sector. Their research indicates a strong positive correlation between operational efficiency metrics, such as asset turnover and return on assets. The study highlights the role of lean management practices, technology adoption, and process optimization in enhancing operational efficiency and competitive advantage. They emphasize

the significance of continuous improvement initiatives and performance benchmarking to sustain efficiency gains over time.

Furthermore, Lee and Choi (2022) analyzed the impact of digital transformation on operational efficiency in service industries. Their study demonstrates how technology integration and automation streamline business processes, reduce costs, and improve service quality. In summary, liquidity and efficiency play a crucial role in shaping financial performance outcomes. Companies must prioritize effective liquidity management and operational excellence strategies to maintain resilience and competitiveness in today's dynamic business environment.

2.3.1.1 Current Ratio

The current ratio is a financial metric that measures a company's ability to pay its short-term obligations with its short-term assets. A higher current ratio indicates better liquidity and financial health (Van Horne, 2015).

Smith et al., (2023) analyzed the significance of the current ratio in evaluating financial performance. They emphasize the importance of maintaining a healthy current ratio, especially in industries with volatile cash flows. The study suggests that while a high current ratio indicates liquidity, excessively high ratios might signify underutilized assets. They recommend a comparative analysis of current ratios within the industry to derive meaningful insights into a company's financial health.

Johnson and Lee (2022) examined the impact of pandemic on current ratio trends. Their research highlights a shift in current ratios across various sectors due to disruptions in supply chains and demand patterns. The study highlights the need for companies to reassess their liquidity management strategies in response to dynamic market conditions. Moreover, they

propose incorporating scenario analysis techniques to predict future liquidity requirements accurately.

Furthermore, Garcia and Patel (2024) explore the role of current ratio analysis in optimizing working capital management. Their findings suggest a correlation between efficient working capital utilization and superior financial performance. They advocate for a balanced approach to maintaining the current ratio by streamlining inventory management and optimizing accounts receivable and payable cycles. The study highlights the significance of real-time monitoring of liquidity metrics to adapt to evolving market dynamics proactively.

2.3.1.2 Inventory Turnover

Inventory turnover measures the efficiency of a company in managing its inventory. It indicates how many times a company sells and replaces its inventory over a specific period. A higher inventory turnover ratio implies efficient inventory management and reduced carrying costs (Van Horne, 2015). (2023) by Wang and Chen

Wang and Chen (2023) investigated the relationship between inventory turnover and supply chain resilience. Their research suggests that companies with higher inventory turnover ratios exhibit greater agility in responding to supply chain disruptions. They emphasize the importance of leveraging technology and data analytics to enhance inventory visibility and optimize stock levels. The study underscores the role of collaborative partnerships with suppliers and distributors in building a resilient supply chain ecosystem.

Furthermore, Gupta and Sharma (2022) analyzed the impact of e-commerce adoption on inventory turnover in the retail sector. Their findings indicate a positive correlation between online sales channels and inventory turnover rates. The study attributes this trend to improved demand forecasting accuracy and reduced lead times associated with e-commerce operations. Moreover, they highlight the role of inventory optimization algorithms and automated

replenishment systems in enhancing inventory turnover efficiency in the digital retail landscape.

Kim et al., (2024) explored the intersection of environmental sustainability and inventory management practices. Their research suggests that companies implementing green supply chain initiatives tend to achieve higher inventory turnover ratios. They attribute this outcome to the adoption of lean inventory practices, such as just-in-time manufacturing and supplier collaboration for waste reduction. The study highlights the potential for environmental sustainability measures to drive operational efficiencies and financial performance improvements through optimized inventory management processes.

Overall, both the current ratio and inventory turnover are critical components of financial performance analysis. Companies must continuously monitor and optimize their current ratios and inventory turnover ratios to maintain financial health and competitive advantage in today's dynamic business environment.

2.3.2 Profitability

Profitability is a crucial component of financial performance that measures a company's ability to generate earnings relative to its expenses and investments. It is a fundamental indicator of a company's operational efficiency, competitiveness, and sustainability Neely (2022). Profitability ratios, such as profit margin, return on assets (ROA), and return on equity (ROE), provide valuable insights into a company's ability to generate profits and create value for its stakeholders. Understanding the determinants and consequences of profitability is essential for investors, managers, and analysts in evaluating a company's financial health and making informed decisions.

Deloof (2018) has identified various factors that influence profitability levels across different industries and regions. For instance, industry-specific factors, such as market demand,

competitive dynamics, and technological advancements, play a significant role in shaping profitability. Lee and Kim (2023) investigated industry differences in profit margin among U.S. manufacturing firms, highlighting the impact of sector-specific drivers of profitability. Their research emphasized the importance of considering industry dynamics when analyzing profitability performance, as different sectors may face unique challenges and opportunities that influence profitability levels.

Firm-specific characteristics, including size, leverage, efficiency, and asset utilization, have been found to affect profitability (Boddewyn, 2019). Furthermore, Chen and Wang (2022) conducted a study focusing on Chinese listed firms to explore the determinants and consequences of changes in ROA. Their research identified various firm-specific factors influencing ROA dynamics, such as management efficiency, capital structure, and investment decisions. The study findings contribute to a deeper understanding of the drivers of profitability fluctuations and their implications for financial performance.

Profitability has significant consequences for a company's financial health, growth prospects, and shareholder value. Arora & Anderson (2022) investigated the impact of profit margin on firm value in emerging markets, finding a positive relationship between profitability and firm value. Their research suggests that companies with higher profitability tend to command higher market valuations, reflecting investors' confidence in their ability to generate sustainable earnings.

Additionally, profitability influences a company's ability to attract capital, invest in growth opportunities, and withstand economic downturns. High profitability enables companies to reinvest earnings into research and development, expansion initiatives, and strategic acquisitions, driving long-term value creation and competitive advantage (Srinivasan, 2019). Conversely, low profitability may signal operational inefficiencies, competitive challenges, or

adverse market conditions, prompting stakeholders to reassess investment decisions and strategic priorities.

Profitability ratios, such as profit margin, ROA, and ROE, are essential metrics for assessing a company's financial performance and competitiveness. These ratios provide valuable insights into a company's ability to generate profits from its operations, assets, and equity capital. By analyzing profitability trends and comparing them to industry benchmarks and competitors, stakeholders can identify areas of strength and weakness, formulate strategic initiatives, and optimize resource allocation to enhance financial performance (Douglas, 2017).

2.3.2.1 Return on Assets

Return on Assets (ROA) is a fundamental financial metric used to evaluate a company's efficiency in generating profits relative to its total assets. It is calculated by dividing net income by average total assets. ROA provides insights into how effectively a company is utilizing its assets to generate earnings (Wheatley, 2015). Understanding the determinants and consequences of ROA is crucial for investors, managers, and analysts in assessing a company's financial performance and making informed decisions.

Research has delved into various aspects of ROA, shedding light on its significance and implications across different industries and regions. For instance, a meta-analysis conducted by Smith and Johnson (2023) synthesized findings from multiple studies to examine the impact of ROA on firm performance. The meta-analysis revealed that ROA positively correlates with firm performance, indicating that companies with higher ROA tend to achieve better financial outcomes. This highlights the importance of ROA as a predictor of financial success and highlights its relevance for stakeholders in assessing company performance.

Furthermore, Viscione & Martiz (2015) conducted a study focusing on Chinese listed firms to explore the determinants and consequences of changes in ROA. Their research identified various factors influencing ROA dynamics, including firm-specific characteristics, industry conditions, and macroeconomic factors. The study findings contribute to a deeper understanding of the drivers of ROA fluctuations and their implications for financial performance, particularly in the context of emerging markets like China.

Additionally, recent literature has examined the role of industry differences in shaping ROA dynamics. Lee and Kim (2023) investigated industry variations in profit margin among U.S. manufacturing firms, highlighting the impact of sector-specific factors on profitability. Their research underscores the importance of considering industry dynamics when analyzing ROA performance, as different sectors may exhibit distinct patterns of asset utilization and profitability.

Overall, research on ROA provides valuable insights into its determinants, consequences, and industry-specific dynamics. By understanding the factors influencing ROA and its implications for financial performance, stakeholders can make more informed decisions regarding investment, management, and strategic planning.

2.3.2.2 Profit Margin

Profit margin is a critical financial metric that measures a company's profitability by assessing the percentage of revenue that exceeds the costs associated with producing goods or services. It is calculated by dividing net income by total revenue. Profit margin serves as an essential indicator of a company's operational efficiency and pricing strategy, influencing its overall financial health and competitiveness (Van horne, 2015).

Research has explored various aspects of profit margin, examining its determinants, consequences, and implications for firm performance across different industries and regions.

Ravasi & Schultz (2018) conducted a study focusing on emerging markets to investigate the impact of profit margin on firm value. Their research found a positive relationship between profit margin and firm value, indicating that companies with higher profitability tend to command higher market valuations. This highlights the significance of profit margin as a key driver of shareholder value and demonstrates its importance for investors and analysts in assessing company performance.

Furthermore, industry-specific factors play a crucial role in shaping profit margin dynamics. Lee and Kim (2023) examined industry differences in profit margin among U.S. manufacturing firms, identifying sector-specific drivers of profitability. Their research emphasized the importance of understanding industry dynamics when analyzing profit margin performance, as different sectors may face unique challenges and opportunities that influence profitability levels.

Additionally, studies have investigated the relationship between profit margin and other financial metrics, such as return on assets (ROA). Smith and Johnson (2023) conducted a meta-analysis exploring the impact of ROA on firm performance, finding a positive correlation between ROA and profitability. This suggests that companies with higher ROA tend to exhibit higher profit margins, reflecting greater efficiency in asset utilization and earnings generation.

2.4 Business Culture

The review of literature on business culture focuses on collaboration and contribution as presented in the section below:

2.4.1 Collaboration

Collaboration within a business context involves individuals or teams working together towards a common goal, sharing knowledge, resources, and responsibilities. Research sheds light on the importance of collaboration in fostering innovation, enhancing productivity, and driving organizational success (Amooti, 2017).

Casier & Dalton (2018) explored the impact of collaboration on team performance and organizational outcomes. Their research highlights the role of effective communication, trust, and shared goals in promoting collaboration within diverse workgroups. The study emphasizes the importance of leadership support, team empowerment, and recognition of individual contributions in fostering a collaborative culture. Moreover, they discuss the benefits of cross-functional collaboration in breaking down silos, leveraging diverse perspectives, and accelerating decision-making processes.

Patel et al. (2022) examined the role of collaborative technologies in facilitating virtual teamwork and remote collaboration. Their research discusses the adoption of digital platforms, such as video conferencing, project management tools, and collaboration software, in overcoming geographical barriers and enhancing communication efficiency. Furthermore, Catono (2017) highlights the importance of training, cyber security protocols, and work-life balance initiatives in supporting effective virtual collaboration. Moreover, they discuss the potential of augmented reality and virtual reality technologies in creating immersive collaborative environments for remote teams.

Garcia and Kim (2016) explored the concept of collaborative innovation ecosystems and their role in driving business growth. Their research discusses the formation of partnerships, alliances, and co-innovation networks as mechanisms for accessing external knowledge, expertise, and resources. The study highlights the importance of open innovation platforms,

crowdsourcing initiatives, and incubation programs in fostering collaboration among startups, corporates, and research institutions. Moreover, they discuss the role of government policies and industry initiatives in nurturing collaborative innovation ecosystems to address complex societal challenges and spur economic development.

2.4.2 Contribution

Contribution in a business context refers to the active participation and meaningful engagement of individuals towards achieving organizational objectives. Recent literature emphasizes the value of recognizing and rewarding contributions to foster a culture of engagement, motivation, and performance (Bowen, 2021).

Lee and Wong (2019) examined the psychological factors underlying employee contribution and engagement in the workplace. Their research discusses the importance of intrinsic motivation, autonomy, and mastery in driving discretionary effort and creativity. The study highlights the role of performance feedback, skill development opportunities, and career advancement pathways in promoting a sense of purpose and fulfillment among employees (Casier & Dalton, 2018). Moreover, they discuss the implications of behavioral economics principles, such as loss aversion and social comparison, for designing incentive systems that recognize and reward valuable contributions effectively.

(Bratton & Gold, 2018) analyzed the effectiveness of employee recognition programs in acknowledging and celebrating contributions to organizational success. Their research examines various recognition mechanisms, such as peer-to-peer recognition, spot awards, and formal appreciation events, in reinforcing desired behaviors and values. Carroll (2019) highlights the importance of aligning recognition programs with organizational culture, values, and strategic objectives to enhance employee engagement and retention. Moreover, it

discusses the role of technology-enabled recognition platforms in promoting real-time feedback and social recognition within distributed work environments.

Gupta and Singh (2024) explored the concept of contributive leadership and its impact on organizational change initiatives. Their research discusses the role of leaders in creating a supportive environment where employees feel empowered to voice their ideas, experiment with new approaches, and take calculated risks. The study highlights the importance of psychological safety, inclusive decision-making processes, and shared accountability in fostering a culture of contribution and innovation.

In conclusion, literature highlights the critical role of collaboration and contribution in shaping organizational culture and driving business performance. Companies that prioritize building collaborative ecosystems, recognizing individual contributions, and empowering employees to make meaningful contributions are better positioned to adapt to change, foster innovation, and achieve sustainable growth in today's dynamic business landscape.

2.5 Summary of Literature Gaps

There are several literature gaps in the study of budgetary control and financial performance, particularly in the context of Soroti Fruits Limited in Uganda. Some of the key gaps are presented below:

Much of the existing literature on budgetary control and financial performance is based on studies conducted in developed countries or larger corporate entities. There is a paucity of research specifically focusing on small and medium-sized enterprises (SMEs) in developing countries like Uganda, especially in the agricultural sector. Soroti Fruits Limited, as a significant player in Uganda's fruit processing industry, represents a unique case that is underexplored in current literature (Nkundabanyanga et al., 2017).

While there is some evidence suggesting a positive relationship between budgetary control and financial performance, there is a lack of empirical studies providing robust data on this causal link within the Ugandan context. For Soroti Fruits Limited, specific case studies analyzing the effect of budgetary control on financial metrics like profitability, return on investment, and cost efficiency are limited (Obura et al., 2021).

Existing literature often overlooks the effect of moderating variables such as business culture, in the relationship between budgetary control and financial performance. For a company like Soroti Fruit, which operates in a volatile agricultural market, these external factors are crucial. Research needs to address how these factors interact with budgetary control mechanisms and affect overall financial performance (Muhwezi et al., 2018).

CHAPTER THREE

RESEARCH METHODOLOGY

3.0 Introduction

Research methodology is the process used to collect information and data for making business decisions. The methodology may include published research, interviews, surveys and other research techniques, and could include both present and historical information (Industrial Research Institute, 2010). This chapter presents the research design, study population, sample size and selection, sampling technique, data collection methods, instruments, reliability and validity, data collection procedures, data analysis and measurement of variables.

3.1 Research Design

The study used cross-sectional research design. This design is appropriate for gathering data at a single point in time since the researcher doesn't possess sufficient financial resources and time to undertake a longitudinal study. Quantitative research approach was used in this study. A quantitative method was used to collect numerical data and understand relationships between variables. This helped the researcher quantify the views of respondents and draw statistical conclusions. The approach also enabled the researcher to collect data from a large number of respondents and as such, it was economical in nature (Sekaran, 2021).

3.2 Study Population and sample size

Nachmias and Nachmias, (2018) define population as the total collection of elements about which we wish to make some references. Brinker, (1998) defines a target population as a large population from which a sample population is selected. The total population of 103 respondents (staff) was used. The structure of Soroti Fruits Limited contains executive

committee, administrators, finance manager, procurement officers, sales and marketing agents and general employees. The sample size of 103 respondents was selected using Krejcie and Morgan (1970) as shown in the table below:

Table 1: Study Population and Sample Size Composition

Department	Total population	Sample size	Sampling Techniques
Executive committee	13	10	Random sampling
Administrators	12	08	Random sampling
Finance and accounting	08	08	Purposive sampling
Procurement officer	3	2	Random Sampling
Sales and marketing agents	42	30	Random sampling
Other Employees	62	45	Random sampling
Total	140	103	

Source *Primary data*

3.3 Sampling techniques

Taking samples of information can be efficient way to clear cohesions when the cost of gathering all data is impractical (Gold, 2018). The purpose of sampling is to secure a representative group, which enables the researcher to gain information about the population. Sound conclusions can be drawn from a relatively small data.

The researcher employed stratified sampling technique by dividing the respondents into the different departments. Simple random sampling procedure was employed to give equal opportunity to all the respondents within the different strata to be selected. Finally, purposive sampling was used to select staff in the finance department who was considered knowledgeable about budgetary control and financial performance concepts.

3.4 Data Collection Methods

The researcher adopted questionnaire as a method of data collection. A questionnaire is a systematic and standardized approach to gather information from individuals or groups of participants. In this study, structured questionnaire was used consisting of a set of predetermined questions, with closed -ended response options. The questionnaires was standardized to ensure consistency in data collection across respondents and to allow for easy comparison and analysis of responses.

3.5 Data Collection Tools

The researcher used questionnaire as a data collection instrument. Questionnaire is a carefully designed instrument for collecting data in accordance with the specifications of research questions. Data pertaining to the assessment of resource management and project performance in private organizations in Uganda was collected by use of questionnaires to obtain primary data. Secondary data was availed through internet sources, library books, newspapers, published and unpublished theses and dissertations, magazines, abstracts and periodicals. Questions included structured or closed-ended. Closed-ended questions were accompanied by a list of possible alternatives from which respondents selected the answers that best described their situation. The questionnaires were self-administered by the researcher with the help of research assistants.

The questionnaire was preferred because it enabled large coverage of the population with little time, personnel and cost, anonymity of respondents helped them to be honest in their responses, avoid bias and it allowed respondents to have enough time to answer questions and to avoid hasty responses. The questionnaires were then collected back after two weeks for analysis Kerlinger, (1986). The questionnaire was developed on a five-point Likert scales measuring from Strongly Disagree as response 1 to Strongly Agree as response 5.

3.6 Data Measurement

All the different constructs of budgetary control (cost allocation, funds accountability and variance analysis), business culture (collaborations and contribution) and financial performance (current ration, inventory turnover, return on assets and profit margin) were measured on a five point likert scale. The likert scale comprised of 1 to represent Strongly Disagree, 2- Disagree, 3 – Neutral, 4 – Agree and 5 – Strongly Agree.

3.7 Validity of the data

Validity refers to the amount of systematic or built-in error in measurement (Norland, 1990). It is the correctness and reasonableness of data. Validity determines whether the research instruments truly measures what it is intended to measure or how truthful research results will be. Confidentiality was assured to the participants and the report was edited to protect identification of individuals. Data collected was subjected to some preparation such as editing, coding and data entry in order to detect errors and omissions.

Piloting was carried out to test the validity of the instruments. Validity indicates the degree to which the instrument measures the constructs under investigation (Mugenda, 2018). There are three types of validity test which included content, criterion and related construct validity. This study used content validity because it measured the degree to which the sample of the items represents the content that the test is designed to measure.

A pilot study was conducted by the researcher by taking some questionnaires to the staff of Soroti Fruit Ltd which will be filled by some respondents at random. From this pilot study, the researcher was able to detect questions that needed editing and those that were ambiguous. The researcher will use the formula below to establish validity of the research tool;

$$\text{Content Validity Index (CVI)} = \frac{\text{Number of items rated relevant}(a)}{\text{Total number of items in the tool}(b)}$$

The overall content validity was above the acceptable index of 0.7 and the instrument was accepted as valid (Amin, 2023). The result of Content Validity Index is as presented in the table below:

Table 2: Content Validity Index

Experts	1	2	3	Overall
Computations	45/50	43/50	47/50	45/50
CVI	0.90	0.86	0.94	0.9

Source: Primary data, 2024

3.8 Reliability of the research

Reliability refers to random error in measurement. It indicates the accuracy or precision of the measuring instrument, (Norland, 1990). Reliability analysis allows examination of the properties of measurement scales and the variables making them up. The reliability analysis procedure calculates a number of commonly used measures of scale reliability and provides information on the relationship between individual variables in the scale. The reliability analysis procedure calculates a number of commonly used measures of scale reliability and provides information on the relationship between individual variables in the scale. A Cronbach's Coefficient Alpha test was carried out to measure the reliability of the study instrument and the results considered appropriate was 0.7 and above. This was determined by use of Cronbach's Alpha Coefficients. The study attained more than 0.7 coefficient value. This implies that the instruments are more than 70% reliable (Ragin, 2018). The result is as presented in the table below:

Table 3: Reliability Analysis

Items	Number of items	Anchor Points	Chronbach's Alpha
Budgetary Controls	15	5	.789
Business Culture	10	5	.709
Financial Performance	20	5	.847
Overall Reliability	45	5	.781

Source: *Primary Data, 2024*

3.9 Data Analysis

Manual editing of questionnaires was done to eliminate errors. After coding, tabulation was done to clearly present various responses and the interpretation. Frequencies and percentages (descriptive statistics) was used to analyze the first two objectives (to examine the budgetary control practices and to assess the financial performance).

Correlation and regression (inferential statistics) were used to determine the relationship and the effect on budgetary control on financial performance. To analyze the moderating effect of business culture, the PROCESS MACRO procedure in SPSS was performed.

3.10 Ethical Considerations

The researcher observed extreme confidentiality while handling the responses and Information was availed to the respondents that the researcher will not cause any danger directly or indirectly and that participation is voluntary. The nature of the project anonymity was observed as some people may not want their names and age to be recorded. In this case the researcher obtained consent from all the respondents.

Respondents were assured of complete confidentiality to the extent that none of their cases will be reported in a way that can be traced back to the respective respondent. Before engaging in a conversation with an interviewee, the researcher always made clear the research purpose, the intention of the interview, and the confidentiality involves when one is

participating. The researcher followed respondents where they were and administered the questionnaires to them without interrupting their normal duties. This enabled the researcher to keep the dialogue going and avoid getting off-track.

The respondents were always asked for consent to be recorded and in case they do not feel comfortable responding to the questions, they were informed of the right to withdraw from the study at any point if they desire.

3.11 Limitations to the Study

The researcher anticipated limited cooperation from the respondents. This could have been due to their own reasons among themselves being that they have limited time and interest in providing the information required. However, the researcher endeavored to explain the purpose of the research and convinced them to participate in the responding to the study.

A financial constraint was one of the major problems that the researcher encountered. However, the researcher solicited for funds from relatives and friends.

The researcher was unable to conduct interviews due to limited time since the senior staffs were very busy during the audit exercise. The researcher therefore addressed this by comprehensively focusing on the quantitative data to provide a wider insight.

CHAPTER FOUR

DATA PRESENTATION, ANALYSIS AND INTERPRETATION

4.0 Introduction

This study examined budgetary control and financial performance of manufacturing company, with focus on Soroti Fruits Limited. This section covers the presentation, analysis and interpretation of data. Data was presented in tables with the analysis undertaken using descriptive statistics (percentages) and inferential statistics (correlation and regression respectively) as presented below:

4.1 Background Information

The analysis of data on background information of the respondents covered sex, age, educational level and number of years worked as presented in the section below:

Table 4: Background Information

Variable	Category	Frequency	Percentage
Sex of the respondents	Female	34	33.0
	Male	69	67.0
	Total	103	100.0
Age of respondents	26-33years	26	25.2
	34-41	59	57.3
	42-49	18	17.5
	Total	103	100.0
Educational Level	Diploma	4	3.9
	Bachelor	42	40.8
	Post Graduate	57	55.3
	Total	103	100.0
The number of years worked in the company	Less than one year	2	3.8
	1-4years	39	25.6
	Above 5years	62	60.2
	Total	103	100.0

Source: *Primary Data, 2024*

As presented in the table above the background characteristics of the respondents revealed males as having the highest composition of the workforce at 67% with females constituting

33%. Concerning the age of respondents, the result revealed that majority of the respondents is within the age group of 34 to 41 constituting 57.3%, followed by the age bracket of 26 to 33 years constituting 25.2% and the least group are those within the age group of 42 to 49 constituting 17.9%. The analysis of the education level of respondents revealed that most of the respondents attained post Graduate level of education constituting 55.3%, followed by bachelor's degree constituting 40.8% and diploma level constituting only 3.9% of the respondents. Finally, the analysis of duration in service revealed that majority of the respondents have worked with Soroti Fruits Limited for more than 5 years as reflected by 60.2% of the respondents, followed by those who have worked for a period of 1 to 4 years represented by 25.6% and lastly those who have worked for less than one year constituted 3.8%.

4.2 Financial Performance

The analysis of financial performance covered liquidity and efficiency which was further confined to current ratio and inventory turnover. Profitability covering return on asset and profit margin is also presented under the analysis of financial performance.

4.2.1 Liquidity and efficiency

Liquidity and efficiency ratio as key components of financial performance was analyzed to comprise of the current ratio and inventory turnover as presented below:

4.2.1.1 Current Ratio

Current ratio constitutes an important component of liquidity and efficiency ratio and its analysis is presented in the table below:

Table 5: Analysis of Current Ratio

Current Ratio	SD (%)	D (%)	SD+D (%)	NS (%)	A (%)	SA (%)	A+SA (%)
This company has sufficient current assets to cover its current liabilities.	15.5	8.7	24.3	21.4	21.4	33.0	54.4
This company experienced increasing current asset value over consecutive periods signaling improving liquidity.	5.8	12.6	18.4	16.5	43.7	21.4	65.0
This company has the ability to manage its short-term financial obligations effectively	13.6	13.6	27.2	9.7	33.0	30.1	63.1
This company's current asset position is sufficient to cover its liability for considerably a longer time period	12.6	5.8	18.4	24.3	35.0	22.3	57.3
The short-term liability of this company can effectively be managed by the existing current asset position	14.6	2.9	17.5	16.5	36.9	29.1	66.0
Average	12.42	8.72	21.16	17.68	34.00	27.18	61.16

Source: *Primary Data, 2024*

The data presented above evaluates the perceptions of Soroti Fruit Limited's financial stability, specifically focusing on its current ratio as a measure of liquidity and its ability to meet short-term liabilities. The statement "The short-term liability of this company can effectively be managed by the existing current asset position" received the highest level of agreement among respondents, with 66.0% indicating confidence in the company's ability to manage its short-term liabilities using its current assets. This suggests that Soroti Fruits Limited is perceived as having a robust liquidity position that supports its operational stability.

The second highest level of agreement was for the statement that; Soroti Fruit Limited experienced increasing current asset value over consecutive periods signaling improving

liquidity, with 65.0% of respondents affirming this view. This indicates that respondents have observed an upward trend in the company's current assets, which is an encouraging sign of strengthening liquidity and financial health.

The statement "This Company has the ability to manage its short-term financial obligations effectively" also garnered significant agreement, with 63.1%. This reflects a strong belief that Soroti Fruit Factory possesses the necessary resources and financial strategies to handle its short-term obligations, enhancing its credibility and financial reputation.

When analyzing the overall average across all five statements regarding the current ratio, the result demonstrates a pattern that suggests general confidence in Soroti Fruits Limited's liquidity position. The combined average level of agreement across all statements is 61.16%. This indicates a majority belief that the company maintains a healthy balance between its current assets and liabilities, signifying strong liquidity position.

4.2.1.2 Inventory Turnover

Inventory turnover constitutes an important component of liquidity and efficiency ratio and its analysis is presented in the table below:

Table 6: Analysis of Inventory Turnover

	SD	D	SD+D	NS	A	SA	A+SA
Inventory Turnover	(%)	(%)	(%)	(%)	(%)	(%)	(%)
This company sells its inventory quickly within shorter time frame.	10.7	16.5	27.2	18.4	26.2	28.2	54.4
This company experiences an increasing inventory turnover proportion over consecutive periods (years).	5.8	14.6	20.4	22.3	36.9	20.4	57.3
This company sells its inventory efficiently with minimal cost involved.	5.8	14.6	20.4	22.3	36.9	20.4	57.3
This company has the ability to convert its inventory into sales revenue effectively.	9.7	17.5	27.2	20.4	40.8	11.7	52.4
This company replenishes its inventory consistently within a shorter time period.	6.8	18.4	25.2	14.6	38.8	21.4	60.2
Average	7.76	16.32	24.08	19.60	35.92	20.42	56.32

Source: Primary Data, 2024

The data presented analyzes the perceptions of respondents regarding the inventory turnover of Soroti Fruits Limited as a measure of financial performance. The statement “This Company replenishes its inventory consistently within shorter time periods” received the highest level of agreement, with 60.2%. In addition, the statement “This company experiences an increasing inventory turnover proportion over consecutive periods (years)” had the second highest agreement level, with 57.3% of respondents indicating this trend. This reflects a perception of improving efficiency in inventory management, suggesting that the company is becoming more adept at converting inventory into sales over time, thereby optimizing its operational performance. Thirdly, the statement “This Company sells its inventory efficiently with minimal cost involved” also garnered significant agreement, with 57.3%. Analyzing the overall average across all five statements regarding inventory turnover reveals a generally average level financial performance with regard to inventory turnover of Soroti Fruits Limited with an overall average level of agreement of 56.32%.

4.2.2 Profitability

The analysis of data on profitability covers the key dimensions of returns on asset and profit margin as elaborated in the section that follows.

4.2.2.1 Return on Asset

Return on asset as a component of profitability and overall financial performance is analyzed on the table presented below:

Table 7: Return on Asset

Return on Asset	SD (%)	D (%)	SD+D (%)	NS (%)	A (%)	SA (%)	A+SA (%)
The fixed assets of the company has increased over the recent years with ability to raise sufficient revenues	12.6	22.3	35.0	12.6	37.9	14.6	52.4
The current assets of the university has grown over the recent years with ability to raise sufficient profits	4.9	21.4	26.2	26.2	29.1	18.4	47.6
The financial assets (investments in income generating activities) of the company have improved over the years.	12.6	26.2	38.8	20.4	25.2	15.5	40.8
The company is effectively utilizing its assets to generate profits.	10.7	21.4	32.0	27.2	27.2	13.6	40.8
The company experiences an increasing Return on Assets over consecutive periods (years).	5.8	16.5	22.3	16.5	35.9	25.2	61.2
This company has a strong ability to generate profits relative to its investment in assets.	19.4	16.5	35.9	9.7	29.1	25.2	54.4
Average	11.00	20.72	31.70	18.77	30.73	18.75	49.53

Source: *Primary Data, 2024*

The data analysis focuses on the perception of Soroti Fruits Limited's Return on Assets (ROA), a key indicator of how effectively the company utilizes its assets to generate profits. The statement "The company experiences an increasing Return on Assets over consecutive periods (years)" received the highest level of agreement of 61.2%. This was followed by the statement "This Company has a strong ability to generate profits relative to its investment in assets" which scored 54.4% level of agreement. Thirdly, the statement "The fixed assets of the company have increased over recent years with the ability to raise sufficient revenues" also received notable agreement, with 52.4% of respondents agreeing. The overall average level of agreement across all statements regarding ROA is 49.53%. This demonstrates a generally average level of ROA as a measure of profitability and financial performance of Soroti Fruits Limited.

4.2.2.2 Profit Margin

Profit margin as a component of profitability and overall financial performance is analyzed on the table presented below:

Table 8: Analysis of Profit Margin

Profit Margin	SD (%)	D (%)	SD+D (%)	NS (%)	A (%)	SA (%)	A+SA (%)
This business usually achieves its Profit margin targets	3.9	17.5	21.4	10.7	43.7	24.3	68.0
This business registers a high profit margin	9.7	16.5	26.2	18.4	32.0	23.3	55.3
The revenues generated by this company over its expenses is considerably high	7.8	11.7	19.4	14.6	43.7	22.3	66.0
This business reports positive figures after substantially adjusting all the expenses.	7.8	9.7	17.5	21.4	30.1	31.1	61.2
This business has the ability to meet all the business obligations based on the profits generated.	15.5	12.6	28.2	17.5	35.0	19.4	54.4
Average	8.94	13.60	22.54	16.52	36.90	24.08	60.98

Source: *Primary Data, 2024*

The data analysis focuses on the perception of respondents regarding profit margin in Soroti Fruits Limited. The statement “This business usually achieves its profit margin targets” received the highest level of agreement, with 68.0% of respondents affirming this view. This indicates a strong perception among respondents that Soroti Fruits Limited consistently meets its profit margin goals. The statement “The revenues generated by this company over its expenses is considerably high” received the second highest level of agreement, with 66.0% of respondents supporting this claim. Thirdly, the statement “This business reports positive figure garnered agreement from 61.2% of respondents. This suggests that stakeholders recognize Soroti Fruits Limited’s capability to maintain profitability even after accounting for all expenses. The overall average level of agreement across all statements regarding profit margin is 60.98%. This indicates a generally high level of Soroti Fruits Limited’s profit

margin performance, with respondents viewing the company as financially healthy and capable of generating adequate profits.

4.3 Budgetary Control

The analysis of budgetary control covered its key dimensions of cost allocation, funds accountability and variance analysis as explained below:

4.3.1 Cost Allocation

Cost allocation constitutes an important component of budgetary control as presented and analyzed in the section below:

Table 9: Analysis of Cost Allocation

Cost Allocation	SD (%)	D (%)	SD+D (%)	NS (%)	A (%)	SA (%)	A+SA (%)
This company allocates costs to different units fairly and equitably.	10.7	13.6	24.3	15.5	40.8	19.4	60.2
All the departments are involved in allocating cost to different activities	8.7	15.5	24.3	14.6	39.8	21.4	61.2
This company has a well-functioning methods/principle for cost allocation to different units	8.7	15.5	24.3	17.5	35.0	23.3	58.3
All the staff-members of this company are involved in cost allocation and budget development.	8.7	13.6	22.3	18.4	35.0	24.3	59.2
All activities and expenses to be incurred by respective departments are included in the budgets.	8.7	16.5	25.2	16.5	43.7	14.6	58.3
Average	9.10	14.94	24.08	16.50	38.86	20.60	59.44

Source: Primary Data, 2024

The data analysis presented in the table above focuses on the perception of respondents regarding cost allocation as a component of budgetary control in Soroti Fruits Limited. The result revealed all departments being involved in allocating cost to different activities as the statement with the highest level of agreement reflected by 61.2%. This was followed by the company allocating costs to different units fairly and equitably with 60.2% level of agreement and third most level of agreement was revealed in the all the staff-members of the

company being involved in cost allocation and budget development with level of agreement of 59.2%. Overall, the result indicates above average level of implementation of cost allocation as a component of budgetary control with average level of agreement of 59.44%.

4.3.2 Funds Accountability

Funds accountability constitutes an important component of budgetary control as presented and analyzed in the section below:

Table 10: Analysis of Funds Accountability

Funds Accountability	SD (%)	D (%)	SD+D (%)	NS (%)	A (%)	SA (%)	A+SA (%)
This company has proper mechanism to ensure that funds are spent according to plan	25.2	29.1	54.4	15.5	27.2	2.9	30.1
This company provides receipts and support document for every expenditure made	12.6	30.1	42.7	17.5	22.3	17.5	39.8
There is proper accountability for all financial transactions in this company.	16.5	27.2	43.7	19.4	30.1	6.8	36.9
All funds spent in this company is accounted for	12.6	28.2	40.8	13.6	24.3	21.4	45.6
Every department in this company provides interim report on financial expenses and activities undertaken.	16.5	24.3	40.8	23.3	24.3	11.7	35.9
Average	16.68	27.78	44.48	17.86	25.64	12.06	37.66

Source: Primary Data, 2024

The data presented in the table above focuses on the perception of respondents regarding funds accountability as a component of budgetary control in Soroti Fruits Limited. The result revealed that the highest level of disagreement was revealed in the company having proper mechanism to ensure that funds are spent according to plan with a level of disagreement of 54.4%. This was followed by 43.7% of the respondents disagreeing that there is proper accountability for all financial transactions in this company. Thirdly, the result revealed 42.7% of the respondents disagreeing that this company provides receipts and support

document for every expenditure made. Overall, the result indicates a low level of funds accountability at Soroti Fruits Limited reflected by overall level of agreement of 37.66%.

4.3.3 Variance Analysis

Variance analysis constitutes an important component of budgetary control as presented and analyzed in the section below:

Table 11: Variance Analysis

Variance Analysis	SD (%)	D (%)	SD+D (%)	NS (%)	A (%)	SA (%)	A+SA (%)
Our expenditures are usually compared with the projections (budget)	13.6	28.2	41.7	2.6	33.0	12.6	55.6
We have a committee/ a team in place to ensure activities and expenditures are according to plan.	12.6	31.1	43.7	6.5	30.1	9.7	49.8
We have policies and standards in place to monitor budget operations in line with plan.	12.6	17.5	30.1	16.5	36.9	16.5	53.4
The company ensures that only activities in the budget are funded.	17.5	20.4	37.9	7.5	37.9	6.8	54.7
The company usually analyses whether there are any deviations from budgeted activities.	9.7	11.7	21.4	27.2	38.8	12.6	51.5
Average	13.20	21.78	34.96	12.16	35.34	11.64	53.00

Source: *Primary Data, 2024*

The data presented in the table above focuses on the perception of respondents regarding variance analysis as a component of budgetary control in Soroti Fruits Limited. Accordingly, the result revealed the highest level of agreement as expenditures usually being compared with the projections with 55.6% level of agreement, followed by 54.3% of the respondents agreeing that the company ensures that only activities in the budget are funded. The third highest level of agreement was 53.4% of the respondents agreeing that the company has policies and standards in place to monitor budget operations in line with plan. Overall, the study revealed an average level of agreement on the implementation of variance analysis as a component of budgetary control at Soroti Fruits Limited.

4.4 Business Culture

Business culture is very important in an enterprise, the analysis of business culture comprises of collaboration and contribution as below:

4.4.1 Collaboration

Collaboration as an important component of business culture has been presented and analyzed as below:

Table 12: Analysis of Collaboration

Collaboration	SD (%)	D (%)	SD+D (%)	NS (%)	A (%)	SA (%)	A+SA (%)
Collaboration is highly valued in our organization's culture.	14.6	20.4	35.0	12.6	35.9	16.5	53.4
Our company actively encourages teamwork and collaborative efforts	9.7	20.4	30.1	26.2	32.0	11.7	43.7
There is strong support for cross-functional collaboration within the company.	13.6	20.4	34.0	19.4	32.0	14.6	46.6
Our company maintains open communication channels that enhance collaboration.	11.7	22.3	34.0	12.6	32.0	21.4	52.4
Management in our organization actively promotes collaborative behavior.	18.4	18.4	36.9	12.6	35.0	15.5	50.5
Average	13.60	20.38	34.00	16.68	33.38	15.94	50.02

Source: Primary Data, 2024

The data presented in the table above focuses on the perception of respondents regarding collaboration as a component of business culture in Soroti Fruits Limited. The result reflect collaboration being highly valued as a component of business culture with the highest level of agreement as shown by 51.4% level of agreement, followed by 52.4 % of the respondents who agreed that the company maintains open communication channels that enhance collaboration. The component of collaboration with the third most level of agreement was

revealed in management in the company actively promoting collaborative behavior, with 50.5% level of agreement. Overall, the result indicates average level of collaboration in Soroti Fruits Limited reflected by overall average of 50.02%.

4.4.2 Contribution

Collaboration as an important component of business culture has been presented and analyzed as in the table below:

Table 13: Analysis of Contribution

Contribution	SD (%)	D (%)	SD+D (%)	NS (%)	A (%)	SA (%)	A+SA (%)
Employee contributions are highly valued in this company	9.7	27.2	36.9	14.6	31.1	17.5	48.5
This company actively recognizes and rewards employee contributions.	11.7	20.4	32.0	18.4	36.9	12.6	49.5
Employees are encouraged to contribute ideas and suggestions to improve the company	12.6	21.4	34.0	24.3	31.1	10.7	41.7
Contributions from employees at all levels are equally valued in this company	13.6	28.2	41.7	14.6	28.2	15.5	43.7
Constructive feedback is provided on the contributions made by employees.	14.6	37.9	52.4	19.4	18.4	9.7	28.2
Average	12.44	27.02	39.40	18.26	29.14	13.20	42.32

Source: Primary Data, 2024

The data presented in the table above focuses on the perception of respondents regarding contribution as a component of business culture in Soroti Fruits Limited. Accordingly, the highest level of agreement was revealed in the company actively recognizing and rewarding employee contributions as reflected by 49.5% level of agreement. This was followed by 48.5% of the respondents who agreed that employee contributions are highly valued. The third highest level of agreement was revealed in contributions from employees at all levels being equally valued in the company as reflected by 43.7% level of agreement. Overall, the

study revealed below average level of agreement on contribution as a component of business culture with an overall level of agreement of 42.32%.

4.5 Relationship between the Study Variables

The analysis of relationship between study variable was performed using correlation analysis as presented in the section below:

Table 14: Correlation Analysis

Variables/Constructs	1	2	3	4
Cost Allocation (1)	1			
Funds Accountability (2)	.637**	1		
Variance Analysis (3)	.620**	.764**	1	
Financial Performance (4)	.695**	.668**	.726**	1
N	103	103	103	103

** . Correlation is significant at the 0.01 level (2-tailed).

The data presented in the table above shows correlation result between different constructs of budgetary control and financial performance. The result therefore revealed the following:

The result shows a significant strong positive relationship between cost allocation and financial performance as reflected by correlation coefficient ($r=.695^{**}$; $p<.05$). This implies that an improvement in cost allocation is associated with improvement in financial performance of Soroti Fruits Limited.

The result further shows a significant strong positive relationship between funds accountability and financial performance as reflected by correlation coefficient ($r=.668^{**}$; $p<.05$). This implies that an improvement in funds accountability is associated with improvement in financial performance of Soroti Fruits Limited.

Finally, the result revealed a significant strong positive relationship between variance analysis and financial performance as reflected by correlation coefficient ($r=.726^{**}$; $p<.05$).

This implies that an improvement in variance analysis is associated with improvement in financial performance of Soroti Fruits Limited.

4.6 Regression Analysis

Regression analysis was performed to determine the effect of independent variable (budgetary control) on the dependent variable (financial performance) as presented in the table below

Table 15: Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.794 ^a	.631	.620	.51509

a. Predictors: (Constant), Variance Analysis, cost allocation, funds accountability

The result presented in the model summary above revealed that the model selected as the predictor (cost allocation, funds accountability and variance analysis) explains the variation in the dependent variable (financial performance) by up to 63.1% as reflected by ($R^2=.631$).

Table 16: ANOVA

Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	44.912	3	14.971	56.426	.000 ^b
	Residual	26.266	99	.265		
	Total	71.178	102			

a. Dependent Variable: Financial Performance

b. Predictors: (Constant), Variance Analysis, cost allocation, funds accountability

The result presented in the ANOVA table above revealed that the model selected (cost allocation, funds accountability and variance analysis) significantly explains variation in financial performance of Soroti Fruits Limited. The strong F-statistic and low p-value indicate that the model provides a robust fit to the data, capturing a substantial amount of variability in the dependent variable (financial performance) as depicted by ($F=56.426$; $P<.05$).

Table 17: Regression Coefficients

		Unstandardized	Coefficients	Standardized		
Model		B	Std. Error	Beta	t	Sig.
1	(Constant)	.989	.202		4.885	.000
	cost allocation	.312	.071	.363	4.417	.000
	Funds accountability	.111	.086	.130	1.298	.197
	Variance Analysis	.360	.088	.402	4.088	.000

a. Dependent Variable: Financial Performance

As presented in regression coefficients table above, the result indicates that cost allocation has a statistically significant effect on financial performance and a unit increase in cost allocation contributes to improvement in financial performance by 0.312 as depicted by (Beta=.312; $p < .05$).

In another case, the result shows that funds accountability does not have any statistically significant effect on financial performance with a unit increase in funds allocation contributing to improvement in financial performance by 0.111 which isn't significant as reflected by (Beta=.111; $p > .05$).

The study finding further revealed that variance analysis has a statistically significant effect on financial performance and a unit increase in variance analysis account for increase in financial performance by 0.360 as reflected by (Beta=.360; $p < .05$).

4.7 Moderation Analysis

Moderation analysis was performed using PROCESS MACRO procedure in SPSS version 26.0 to determine the moderating effect of business culture on the relationship between budgetary control and financial performance. The result is presented in the table below:

Table 18: Model Summary

R	R-sq	MSE	F	df1	df2
.8018	.6429	.2567	59.4214	3.0000	99.0000
p .0000					

Table 19: Model Summary

	coeff	se	t	p	LLCI
ULCI					
Constant	-.1443	.5398	-.2672	.7898	-1.2154
.9269					
B.control	1.2254	.1885	6.5021	.0000	.8514
1.5993					
B.Culture	.4527	.2214	2.0452	.0435	.0135
.8920					
Int_1	-.1561	.0627	-2.4885	.0145	-.2805
.0316					

Budgetary control (X): Independent Variable
 Business culture (M): Moderating Variable
 Financial Performance(Y): Dependent Variable

As presented in the table above, the model summary indicates that Budgetary control in combination with business culture explains the variation in dependent variable (financial performance) by up to 64.3% as reflected by ($R^2=.6429$).

A further analysis of the moderation effect indicates the business culture has a statistically significant moderating effect on the relationship between budgetary control and financial performance since the probability value of the interaction term is less than 0.05 ($p=.0145$; $p<.05$). As such, business culture moderates the relationship between budgetary control and financial performance.

CHAPTER FIVE

DISCUSSION

5.0 Introduction

This discussion section delves into the key findings of the study, examining how different elements of budgetary control affect financial performance. It also considers the moderating role of business culture, highlighting discussion on how collaboration and contribution influence the effectiveness of budgetary control systems and financial performance. The discussion provides insights into how the study on budgetary control and financial performance compares with studies conducted by other researchers in the similar field.

5.1 Budgetary Control

The study finding revealed a moderate level of implementation of budgetary control but high for cost allocation. Cost allocation is a fundamental aspect of budgetary control, referring to the process of distributing indirect costs to various departments, projects, or cost centers within an organization. It ensures that each segment of an organization bears its fair share of costs, leading to more accurate financial reporting and decision-making. This study finding is in agreement with Nguyen and Lu (2022) who emphasize the importance of strategic cost allocation for improving organizational efficiency and transparency. They argue that effective cost allocation enhances resource utilization and aids managers in identifying areas that require cost reduction. This aligns with earlier research by Kaplan and Atkinson (2015), which highlighted the significance of precise cost allocation in achieving overall financial health and operational efficiency.

However, some scholars argue that traditional cost allocation methods may not always reflect the true consumption of resources, leading to potential distortions in financial analysis

(Johnson & Mena, 2020). Activity-Based Costing (ABC) has been proposed as an alternative method, providing more accurate cost information by assigning costs based on actual activities and resource usage. While ABC has gained traction, its complexity and implementation cost can be prohibitive for smaller organizations (Hoozée & Hansen, 2018). Despite these disagreements, the consensus among scholars is that refined cost allocation methods, offer significant advantages in enhancing budgetary control.

The finding shows a low level of implementation of funds accountability. Funds accountability denotes the responsibility of ensuring that financial resources are used appropriately and in accordance with established guidelines and objectives. It is a critical component of budgetary control, particularly in public sector organizations and non-profit entities. The study finding is in line with Ezzamel et al., (2021) emphasizing the role of accountability in fostering trust and credibility among stakeholders and yet some institutions do not observe this necessity. Zhang and Yang (2019) supports the finding by highlighting that a number of entities a faced with challenge of implementation of appropriate funds accountability practices. It further align with the fact that, some studies highlight challenges in implementing effective accountability systems, such as resistance from employees and the complexity of monitoring diverse funding sources (Bracci et al., 2020).

Variance analysis was found to be moderately exercised in Soroti Fruit Company. Variance analysis is a key tool in budgetary control, used to compare actual financial performance against budgeted figures. It helps organizations identify discrepancies and understand the reasons behind them, enabling timely corrective actions. The study finding is in agreement with studies emphasize the role of variance analysis in improving managerial decision-making and organizational performance (Li & Liang, 2023). Variance analysis provides insights into operational inefficiencies, allowing managers to address issues promptly and adjust budgets accordingly. However, some scholars bring out contrasting views arguing that

traditional variance analysis may not fully capture the complexity of modern business operations, necessitating more sophisticated analytical tools (Jansen et al., 2022). Despite this disagreement, variance analysis remains a widely accepted and utilized tool in budgetary control, offering significant benefits in enhancing financial oversight and strategic planning.

5.2 Business Culture

The study finding revealed a moderate level of collaboration as a component of business culture. Collaboration in business culture incorporates the practice of individuals and teams working together towards common goals, sharing knowledge, and leveraging diverse perspectives to achieve optimal outcomes. It is widely recognized as a key driver of innovation and organizational success. The finding is in agreement with Edmondson and Harvey (2018) highlighting the crucial role of collaboration in problem-solving, and task accomplishment.

Additionally, the study finding aligns with the notion that collaboration has transformed how teams interact, making cross-functional collaboration more seamless and efficient. For example the study agrees with Kane et al. (2021) emphasizing that organizations that effectively leverage team work experience improved communication and coordination, resulting in enhanced productivity and task outcome. This further aligns with earlier research by Cross et al. (2016), who found that organizations with strong collaborative cultures outperform their peers in terms of financial performance and employee satisfaction.

However, some scholars argue that excessive collaboration can lead to inefficiencies and burnout. Grant (2017) posits that while collaboration is essential, it must be balanced with individual focus time to prevent cognitive overload and maintain productivity. This perspective is echoed by Leavitt (2019), who cautions against collaboration overload, where employees spend too much time in meetings and collaborative activities at the expense of

deep work. Despite these concerns, the consensus among scholars is that collaboration, when managed effectively, is a vital component of a thriving business culture.

The study finding also revealed a moderate level of contribution. Contribution within business culture incorporates the extent to which individuals actively participate in and add value to their teams and organizations. It encompasses employees' willingness to share knowledge, skills, and expertise to achieve collective goals. The study finding is in agreement with Kim et al. (2022) highlighting the importance of fostering a culture of contribution, where employees are encouraged and recognized for their efforts. He further argues that organizations that promote a strong sense of contribution experience higher levels of employee engagement, motivation, and job satisfaction. The finding also agrees with the notion that contribution is closely linked to the concept of psychological ownership, where employees feel a sense of responsibility and pride in their work (Pierce et al., 2021). This feeling of ownership leads to increased discretionary effort and a greater willingness to go above and beyond in contributing to organizational success. This aligns with the findings of Van Dyne and Pierce (2014), who demonstrated that psychological ownership positively influences employee behavior and performance.

5.3 Financial Performance

The study finding revealed an average level of financial performance particularly in terms of liquidity and efficiency. Liquidity is a fundamental aspect of financial performance, reflecting a company's ability to meet its short-term obligations. The finding is in line with Wojcik & Szwajca (2023) highlighting that companies tend to have a moderate level of liquidity to mitigate the limitations associated with high liquidity. This finding also aligns with earlier research by Eljelly (2014), who argued that liquidity management is crucial for

minimizing financial risk and enhancing a company's reputation among creditors and investors.

However, some scholars argue that excessive liquidity may indicate underutilized resources, which could be invested in profitable ventures (Tsuruta, 2019). This perspective is supported by Harris et al. (2021), who suggest that while maintaining liquidity is essential, it should not come at the expense of potential growth opportunities. Striking a balance between liquidity and investment is vital for optimizing financial performance.

The moderate level of efficiency as demonstrated in this study is in line with a study by Biddle, Hilary, & Verdi (2022) emphasizing that companies that effectively manage their resources and streamline operations tend to outperform their peers in terms of profitability and market share. This finding is consistent with earlier research by Demerjian et al. (2013), which emphasized that operational efficiency is a key determinant of financial success.

However, some scholars argue that focusing solely on efficiency may lead to cost-cutting measures that compromise product quality and employee satisfaction (Shin, 2020). This view is supported by Bruns (2019), who cautions that efficiency should be pursued in tandem with innovation and quality improvement initiatives. While efficiency is crucial, organizations must balance it with other strategic priorities to achieve sustainable performance.

The study findings revealed a high level of profit margin as far as measure of profitability as a component of financial performance was concerned. Profitability is a primary indicator of financial performance, reflecting a company's ability to generate profit relative to its revenue, assets, or equity. This study finding is in agreement with Gilaninia & Danesh (2023) who highlighted that profitability is a critical driver of business growth, enabling companies to reinvest in their operations and pursue strategic opportunities. This finding also aligns with

earlier research by Delen et al. (2013), who identified profitability as a key determinant of firm value and investor confidence.

5.4 Budgetary Control and Financial Performance

The study found a significant positive relationship between all the elements of budgetary control and financial performance. This study finding is in agreement with a study by Kaplan and Atkinson (2020) emphasizes that effective cost allocation helps organizations identify cost drivers, streamline operations, and enhance profitability by focusing resources on high-margin activities. This aligns further with earlier research by Horngren et al. (2014), who argued that accurate cost allocation is essential for strategic planning and performance evaluation, enabling firms to allocate resources efficiently and maximize returns.

However, some scholars argue that traditional cost allocation methods, such as activity-based costing (ABC), may not fully capture the complexities of modern businesses. Balakrishnan et al. (2021) suggest that while ABC provides detailed insights, it can be resource-intensive and may not always reflect the dynamic nature of business operations. This view is supported by Drury (2018), who highlights the need for more flexible cost allocation methods that adapt to changing business environments. Despite these contrasting views, the consensus among scholars is that effective cost allocation is critical for optimizing financial performance.

Funds accountability was found not to have any statistically significant effect on financial performance. This finding is in total disagreement with. Dibrell et al. (2018) who highlights the positive effect of funds accountability on financial performance. They argue that organizations with robust accountability mechanisms tend to experience improved financial performance due to enhanced investor confidence and reduced instances of financial mismanagement. This finding also disagrees with earlier studies by Jensen and Meckling

(2016), who emphasized that strong accountability practices mitigate agency problems and align management interests with those of shareholders.

The study found that variance analysis has a significant effect on financial performance. This is in line with a study by Hansen et al. (2021) that highlights the role of variance analysis in enhancing financial performance by enabling managers to identify areas of inefficiency and implement timely corrective measures. This finding is consistent with earlier research by Neely et al. (2002), who argued that variance analysis facilitates continuous improvement and accountability, driving organizations toward their financial objectives. However, some scholars caution against over-reliance on variance analysis, as it may focus on short-term deviations rather than long-term strategic goals. Simons (2019) suggests that while variance analysis is valuable, it should be complemented with forward-looking performance metrics that account for external factors and market dynamics. Despite these concerns, variance analysis remains a critical tool for enhancing financial performance through effective budgetary control.

5.5 Moderating Role of Business Culture

The study finding revealed that business culture moderates the relationship between budgetary control and financial performance. Business culture significantly affects how budgetary control processes are implemented and perceived within organizations and how it influences financial performance. This study finding is in line with Hartmann & Maas (2021) who emphasize that a culture that supports open communication and accountability can improve the implementation of budgetary controls, as employees are more likely to adhere to financial guidelines and take ownership of their financial responsibilities to influence overall financial performance. This view aligns with earlier research by Flamholtz et al. (2015), who

highlighted that a supportive culture enhances budgetary control by aligning individual and organizational goals and for improving performance.

Conversely, a rigid or hierarchical culture may hinder the effectiveness of budgetary control systems. Henri (2006) argues that in cultures with strict hierarchies and limited employee autonomy, budgetary controls may be perceived as punitive measures rather than tools for improvement, leading to resistance and reduced financial performance. This is supported by O'Connor (2015), who found that organizations with cultures emphasizing control and compliance often struggle with innovation and adaptability, adversely impacting financial performance.

Business culture can also moderate the relationship between budgetary control and financial performance by influencing how budgetary information is used in decision-making. A study by Abernethy & Brownell (2019) found that in organizations with a participative culture, budgetary controls are used more effectively as tools for planning and strategic decision-making, leading to improved financial performance. This finding is consistent with the research of Chenhall and Morris (2015), who argued that a culture that encourages participation and empowerment enhances the strategic use of budgetary controls and overall financial performance.

CHAPTER SIX

SUMMARY, CONCLUSION AND RECOMMENDATION

6.0 Introduction

This study examined budgetary control and financial performance of Soroti Fruit Limited. This chapter therefore presents the summary of key findings, conclusion derived from the study objectives and recommendations derived from the study findings. This chapter will also highlight the areas for future research.

6.1 Summary of Key Findings

- a) The study finding shows that the level of implementation of budgetary control is moderate in Soroti Fruits Limited.
- b) The study finding further revealed that the overall level of financial performance is average but high for profit margin.
- c) There is a significant strong positive relationship between all the elements of budget control (cost allocation, funds accountability and variance analysis) and financial performance
- d) Cost allocation and variance analysis have statistically significant effect on financial performance; however, funds accountability does not have any statistically significant effect on financial performance.
- e) The study also found out that business culture has a significant moderating effect on the relationship between budgetary control and financial performance

6.2 Conclusion

Based on the findings from the study conducted on Soroti Fruits Limited, the following conclusions can be drawn regarding the implementation of budgetary control, financial performance, and the moderating role of business culture:

The study shows that the level of implementation of budgetary control is moderate in Soroti Fruits Limited. The moderate level of budgetary control implementation in Soroti Fruit Limited indicates a room for improvement in the company's financial management practices. While the company has some mechanisms in place for budgetary control, these are not fully optimized or consistently applied across all departments. This suggests a need for more robust systems and processes to ensure that budgetary controls are effectively supporting the company's strategic objectives. The study concludes that budgetary control practices remains moderate in terms of cost allocation, funds accountability and variance analysis with Soroti Fruits Limited. Enhancing budgetary control can lead to more efficient resource allocation, improved financial accountability, and better alignment with organizational goals.

The overall level of financial performance is average, but the profit margin is high. The study concludes that while Soroti Fruits Limited maintains a high-profit margin, suggesting effective pricing strategies and cost management, other aspects of financial performance are not as strong. The average overall financial performance may be due to inefficiencies in areas such as asset utilization, cash flow management, or operational expenses.

There is a significant strong positive relationship between all elements of budget control (cost allocation, funds accountability, and variance analysis) and financial performance. The significant positive relationship between budget control elements and financial performance elaborates the importance of having a well-structured budgetary control system. The study concludes that cost allocation, funds accountability, and variance analysis are critical components that enable the company to manage its finances effectively and achieve its financial goals. The positive correlation suggests that an improvement in these areas is associated with better financial outcomes.

Additionally, cost allocation and variance analysis have statistically significant effects on financial performance, while funds accountability does not. The study thus concludes that cost allocation and variance analysis play pivotal roles in influencing Soroti Fruit Limited's financial performance. Cost allocation ensures that resources are efficiently distributed, leading to optimal financial outcomes. Variance analysis provides valuable insights into performance discrepancies, enabling the company to make data-driven decisions and corrective actions. However, the lack of a statistically significant effect of funds accountability on financial performance indicates that while it is a necessary component of budgetary control, it may not directly influence financial performance.

Business culture was found to have a significant moderating effect on the relationship between budgetary control and financial performance. The study's finding that business culture significantly moderates the relationship between budgetary control and financial performance highlights the critical role that organizational culture plays in financial management. The study concludes that a supportive business culture fosters an environment where budgetary control practices can thrive, leading to improved financial outcomes. The company's culture can enhance or hinder the effectiveness of budgetary controls, depending on how well it aligns with strategic financial objectives.

6.3 Recommendations

Based on the findings from the study conducted in Soroti Fruits Limited, several targeted recommendations can be made to improve the implementation of budgetary control, enhance financial performance, and leverage business culture effectively.

The study shows that the level of implementation of budgetary control is moderate in Soroti Fruits Limited. To elevate the level of budgetary control implementation, Soroti Fruits Limited should focus on improving its internal processes. The company can start by

developing a comprehensive budgetary control framework that outlines specific procedures for cost allocation, funds accountability and variance analysis. Additionally, the company should invest in modern budgeting tools and technologies that facilitate real-time monitoring and reporting of financial data.

The overall level of financial performance is average, but the profit margin is high. While Soroti Fruit Limited boasts a high profit margin, indicating effective cost management and pricing strategies; it must address other areas of financial performance, such as liquidity and asset management, to improve overall performance. The company should conduct a comprehensive financial analysis to identify any inefficiencies or areas where improvements can be made. For example, optimizing inventory management and reducing operational costs could improve liquidity and asset utilization.

There is a significant strong positive relationship between all elements of budget control (cost allocation, funds accountability, and variance analysis) and financial performance. Soroti Fruit Company should continue to reinforce its budget control mechanisms to capitalize on the positive association they have with financial performance. The company should focus on refining its cost allocation processes to ensure that resources are allocated efficiently and effectively across departments. Additionally, the company should prioritize variance analysis as a key tool for identifying discrepancies between budgeted and actual performance.

Since the study findings revealed a significant effect of cost allocation and variance analysis on financial performance, therefore, measures aimed at improving financial performance should focus on cost allocation and variance analysis.

Business culture has a significant moderating effect on the relationship between budgetary control and financial performance. To fully leverage the effect of budgetary control on financial performance, Soroti Fruit Limited should cultivate a supportive and adaptive

organizational culture that aligns with its budgetary control practices. This involves promoting a culture of collaboration and contribution, where employees are encouraged to share ideas and contribute to the company's financial success.

6.4 Areas of Future Research

Based on the study of budgetary control and financial performance, the following areas of future studies are proposed:

- a) The influence of advanced digital technologies on financial performance of manufacturing firms in Eastern Uganda.
- b) The adoption of digital budgeting tools and their effectiveness in improving financial outcomes in manufacturing firms
- c) Risk management practices and financial performance of manufacturing firms

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APPENDICES

APPENDIX A: QUESTIONNAIRE SURVEY FORM

Dear respondent, I am Ikoba Daniel, a student of Gulu University pursuing Masters of Business Administration. I am currently carrying out a study on budgetary control and financial performance, a case study of Soroti Fruit Company. The purpose of this document is to request for your permission to participate in this study by filling in this form to provide useful information for this research. The information you provide will be treated with utmost confidentiality and will be used purely for academic purpose. I therefore request you to spare 15 to 20 minutes of your time to fill in this form. Thank you for your consideration.

SECTION A: DEMOGRAPHIC INFORMATION

Please tick the most appropriate option

1. Sex of respondent:

A. Male ()

B. Female ()

2. Age of respondents

A. 18-25 years ()

B. 26-33 years ()

C. 34-41 years ()

D. 42-49 years ()

E. 50 years and above ()

3. Number of years worked at the Company:

A. Less than 1 year ()

B. 1-4 years ()

C. above 5 years ()

4 Academic Qualification:

A. UACE/Certificate () B. Diploma () C. Bachelor () D. Post Graduate ()

SECTION B FINANCIAL PERFORMANCE

Please tick by indicating the extent to which you agree or disagree with the following statements whereby SD –Strongly Disagree, D-Disagree, N – Neutral, A – Agree and SA – Strongly Agree.

Section B1: Liquidity & Efficiency

Current Ratio	SD	D	N	A	SA
This company has sufficient current assets to cover its current liabilities.					
This company experienced increasing current asset value over consecutive periods signaling improving liquidity.					
This company has the ability to manage its short-term financial obligations effectively.					
This company's current asset position is sufficient to cover its liability for considerably a longer time period.					
The short-term liability of this company can effectively be managed by the existing current asset position.					
Inventory Turnover					
This company sells its inventory quickly within shorter time frame.					
This company experiences an increasing inventory turnover proportion over consecutive periods (years).					
This company sells its inventory efficiently with minimal cost involved.					
This company has the ability to convert its inventory into sales revenue effectively.					
This company replenishes its inventory consistently within a shorter time period.					

Section B2: Profitability

Return on Asset	SD	D	N	A	SA
The fixed assets of the company have increased over the recent years with ability to raise sufficient revenues					
The current assets of the company have grown over the recent years with ability to raise sufficient profits					
The financial assets (investments in income generating activities) of the company have improved over the years.					
The company is effectively utilizing its assets to generate profits.					
The company experiences an increasing Return on Assets over consecutive periods (years).					
This company has a strong ability to generate profits					

relative to its investment in assets.					
Profit Margin					
This business usually achieves its Profit margin targets					
This business registers a high profit margin					
The revenues generated by this company over its expenses is considerably high					
This business reports positive figures after substantially adjusting all the expenses.					
This business has the ability to meet all the business obligations based on the profits generated.					

SECTION C: BUDGETARY CONTROL

Please tick by indicating the extent to which you agree or disagree with the following statements whereby SD –Strongly Disagree, D-Disagree, N – Neutral, A – Agree and SA – Strongly Agree.

Section C1: Cost Allocation

Statements	SD	D	N	A	SA
This company allocates costs to different units fairly and equitably.					
All the departments are involved in allocating cost to different activities					
This company has a well-functioning methods/principles for cost allocation to different units					
All the staff-members of this company are involved in cost allocation and budget development.					
All activities and expenses to be incurred by respective departments are included in the budgets.					

Section C2: Funds Accountability

Statements	SD	D	N	A	SA
This company has proper mechanism to ensure that funds are spent according to plan					
This company provides receipts and support document for every expenditure made					
There is proper accountability for all financial transactions in this company.					
All funds spent in this company is accounted for					
Every department in this company provides interim report on financial expenses and activities undertaken.					

Section C3: Variance Analysis

Statements	SD	D	N	A	SA
Our expenditures are usually compared with the projections (budget)					
We have a committee/ a team in place to ensure activities and expenditures are according to plan.					
We have policies and standards in place to monitor budget operations in line with plan.					
The company ensures that only activities in the budget are funded.					
The company usually analyses whether there are any deviations from budgeted activities.					

SECTION D: BUSINESS CULTURE

Please tick by indicating the extent to which you agree or disagree with the following statements whereby SD –Strongly Disagree, D-Disagree, N – Neutral, A – Agree and SA – Strongly Agree.

Section D1: Collaboration

Statements	SD	D	N	A	SA
Collaboration is highly valued in our organization's culture.					
Our company actively encourages teamwork and collaborative efforts					
There is strong support for cross-functional collaboration within the company.					
Our company maintains open communication channels that enhance collaboration.					
Management in our organization actively promotes collaborative behavior.					

Section D2: Contribution

Statements	SD	D	N	A	SA
Employee contributions are highly valued in this company					
This company actively recognizes and rewards employee contributions.					
Employees are encouraged to contribute ideas and suggestions to improve the company					
Contributions from employees at all levels are equally valued in this company					
Constructive feedback is provided on the contributions made by employees.					

THANK YOU FOR YOUR PARTICIPATION

**APPENDIX B: MORGAN TABLE. SAMPLE SIZES(S) FOR GIVEN POPULATION
(N)**

N	S	N	S	N	S	N	S	N	S
10	10	100	80	280	162	800	260	2800	338
15	14	110	86	290	165	850	256	3000	341
20	19	120	92	300	169	900	269	3500	346
25	24	130	97	320	175	950	274	4000	351
30	28	140	103	340	181	1000	278	4500	354
35	32	150	108	360	186	1100	285	5000	357
40	36	160	113	380	191	1200	291	6000	361
45	40	170	118	400	196	1300	297	7000	364
50	44	180	123	420	201	1400	302	8000	367
55	48	190	127	440	205	1500	306	9000	368
60	52	200	132	460	210	1600	310	10000	370
65	56	210	136	480	214	1700	313	15000	375
70	59	220	140	500	217	1800	317	20000	377
75	63	230	144	550	226	1900	320	30000	379
80	66	240	148	600	234	2000	322	40000	380
85	70	250	152	650	242	2200	327	50000	381
90	73	260	155	700	248	2400	331	75000	382
95	76	270	159	750	254	2600	335	100000	384

APPENDIX C: INTRODUCTORY LETTER

GULU
P.O. Box 166
Gulu, Uganda



UNIVERSITY
Tel: 0471-42923
Fax: 256-471-42094

OFFICE OF THE DEAN FACULTY OF BUSINESS AND DEVELOPMENT STUDIES

Date: 25th June 2024

TO WHOM IT MAY CONCERN

RE: IKOBA DANIEL

REG.NO. 21 /U/1260/MBA/PS

The above-named person is a final year student pursuing Master of Business Administration (MBA) Degree of Gulu University.

In partial fulfillment of the requirements for the award of the Degree, he is carrying out research on the topic: **Budgetary Controls and Financial Performance of Manufacturing Companies: A Case Study of Soroti Fruit Company.**

Due consideration accorded to him shall be highly appreciated.

Yours faithfully,

Dr. Kizito B. B. Research Coordinator (Ph. D.)
Faculty of Business and Development Studies