

**CASH MANAGEMENT AND FINANCIAL PERFORMANCE OF SMALL
SCALE BUSINESSES IN MBARARA DISTRICT-UGANDA**

BY

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ABSTRACT

The study sought to assess the effect of cash management on financial performance of small scale Businesses in Mbarara district, Mbarara-Uganda. It was guided by three specific objectives, that included I) To determine the effect of disbursements on financial performance of small scale businesses in Mbarara district, to establish the effect of cash collection on financial performance of small scale businesses in Mbarara district and to establish the effect of cash control on financial performance of small scale businesses in Mbarara district. This research employed cross-sectional, survey and descriptive research design to describe the variables and the questionnaire and interview guide were used as the research instruments. Descriptive statistics were used in this study included frequencies, means and regression analysis on variables. The findings revealed the following: The findings indicated that disbursements significantly affects the financial performance of small scale businesses in Mbarara district, this effect therefore implies that disbursements highly contribute to the financial performance of Small scale businesses in Mbarara district Uganda, The findings revealed that there is a significant effect cash collection has on financial performance of small scale businesses in Mbarara district, findings of this study proved a weak positive significant effect cash control has on financial performance of small scale businesses in Mbarara district. Still the conclusions were that; There is a weak positive significant effect disbursements has on financial performance of small scale businesses in Mbarara district , Effective cash collection significantly improves financial performance of small scale businesses in Mbarara district, Cash control highly affects the financial performance of small scale businesses in Mbarara district Uganda. The researcher recommended that the: Owners should develop a good system to monitor cash payments, record and track all the cash payments so that there is effectiveness in payment of cash and ensure to cover loopholes in the system to enhance financial performance. Owners and managers should develop cash collection system for example alternatives ways of collecting cash from customers which makes cash collection easy and flexible so as to boost financial performance, Owners should develop cash control system and make sure they always have a cash plan that enables them have minimum cash balances at all times, this will help them control cash and hence increase in the financial performance of their businesses and Contribution to knowledge.