Management Accounting and Financial Performance in Organisations: A Case Study of Kibuye Power Limited (KPL), Rwanda

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MANAGEMENT ACCOUNTING AND FINANCIAL PERFORMANCE IN ORGANISATIONS
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ABSTRACT
The study was carried out to assess management accounting on financial performance in organizations and Kibuye Power limited- Rwanda was taken as a case study. The researcher chose Kibuye Power limited as case study because this company’s financial performance was still weak despite the existence of an efficient management accounting system. The study was guided by general objective which is “to assess the importance of management accounting as a tool in financial performance of Kibuye Power Limited” and the following specific objectives: “to establish how analysis cost, control analysis, management accounting do affect financial performance and to evaluate the relationship between management accounting and financial performance of Kibuye power limited”. Based on both quantitative and qualitative approaches, the study was used interview, questionnaire and documentation as techniques of data collection while data analysis was analyzed using Pearson Linear correlation Co-efficient. The sample size was comprised of 62 employees of Kibuye power Limited. Findings revealed that cost analysis and management accounting positively affected financial performance where as control analysis negatively affected financial performance. The findings based on profile of respondents in terms of gender, marital status, education, position and experience ,the level of management accounting level of financial performance , level of difference of management accounting in terms of profitability, level of liquidity and quality of assets revealed that Cost analysis positively affected financial performance; Management accounting had relationship to financial performance and Management accounting positively affected financial performance. For effective financial performance, management at Kibuye power Limited and other organizations should embrace effective cost analysis in the management of organizational resources