

**INFLUENCE OF ACCOUNTING INFORMATION ON THE PERFORMANCE OF
SMALL SCALE BUSINESS IN JUBA PAYAM, SOUTH SUDAN**

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DECLARATION AND APPROVAL

Declaration by the student

This research project is entirely unique with no submissions for a degree or other honours to any other university.


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Approval by the Supervisor

This research project has been submitted for examination with my approval as the University supervisor.

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DEDICATION

I dedicate this project to my beloved Mother Nora Keji Emmanuel and my dear wife Sarah Keji Miyu.



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In reflecting upon my educational journey thus far, I cannot help but express profound gratitude to God Almighty that having guided me through the vast expanse of academia, nurturing my passion for higher learning and personal growth. This gratitude extends especially to Dr. Ruthwinnie Munene from Mount Kenya University, whose unwavering commitment to excellence as my supervisor has been instrumental in shaping my research pursuits. Additionally, I'm deeply appreciative to Mr. Erias Juuko for his consistent encouragement and guidance throughout my academic endeavors. I acknowledge my family, in particular, my Mother Nora Keji Emmanuel, and my dear wife Sarah Keji Miyu for the patience, understanding, and continuous encouragement they gave me during the period I was doing this research proposal.

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ABSTRACT

As the collective performance of small businesses is viewed from the perspective of accounting data, it becomes evident that there is a serious lack of effective utilization of accounting information in South Sudan. Despite being supported by ample evidence from various countries demonstrating the positive correlation between small business growth and the strategic use of accounting data, the awareness and implementation of such practices remain limited in South Sudan. The primary aim of the research was to explore and analyze the impact of bookkeeping data on the operational proficiency and general performance of small scale businesses, with a specific focus on Juba Payam. Within this scope, the research objectives sought to identify the multifaceted roles of accounting information in enhancing performance, examine how traditional accounting practices influence business outcomes in South Sudan, and determine the varying influences of different types of accounting data on small business success rates within the region. To undertake this investigation, a comprehensive research approach combining case study methods with quantitative analysis was adopted. The target population was 488 registered business enterprises according to the South Sudan Business Registry where a sample size comprising 49 respondents was selected through simple random sampling techniques, while a descriptive survey research approach was utilized to gather pertinent data. Primary data was collected through questionnaires and analyzed using SSPS and Excel. The reliability of the questionnaire was assessed using the pilot test findings while the validity test was carried using content validity which was essential to ensure that the data gathering, analysis, and interpretation all fell within the scope of the research objectives

Notably, findings from the study revealed that a substantial 71% of respondents from small businesses in Juba Payam maintained key ledgers such as sales ledger, purchase ledger, cash book, petty cash book, and general ledger to record and manage their financial transactions effectively. In stark contrast, 60% of respondents disclosed that they entrusted qualified and competent external sources to maintain their accounting records, which resulted in the production of comprehensive financial statements including balance sheets, profit and loss accounts, cash flow statements, and other crucial financial reports. Moreover, the research highlighted that 29% of respondents leveraged accounting information for strategic decision-making aimed at fostering business growth, while 60% relied on such data to fulfill their legal obligations, encompassing intricate calculations and periodic tax deposits, such as VAT and other statutory dues. Based on the insightful findings, the research advocates for a thorough review of the existing governmental policies related to small and medium businesses in South Sudan to ensure their alignment with the unique features and developing needs of local enterprises.

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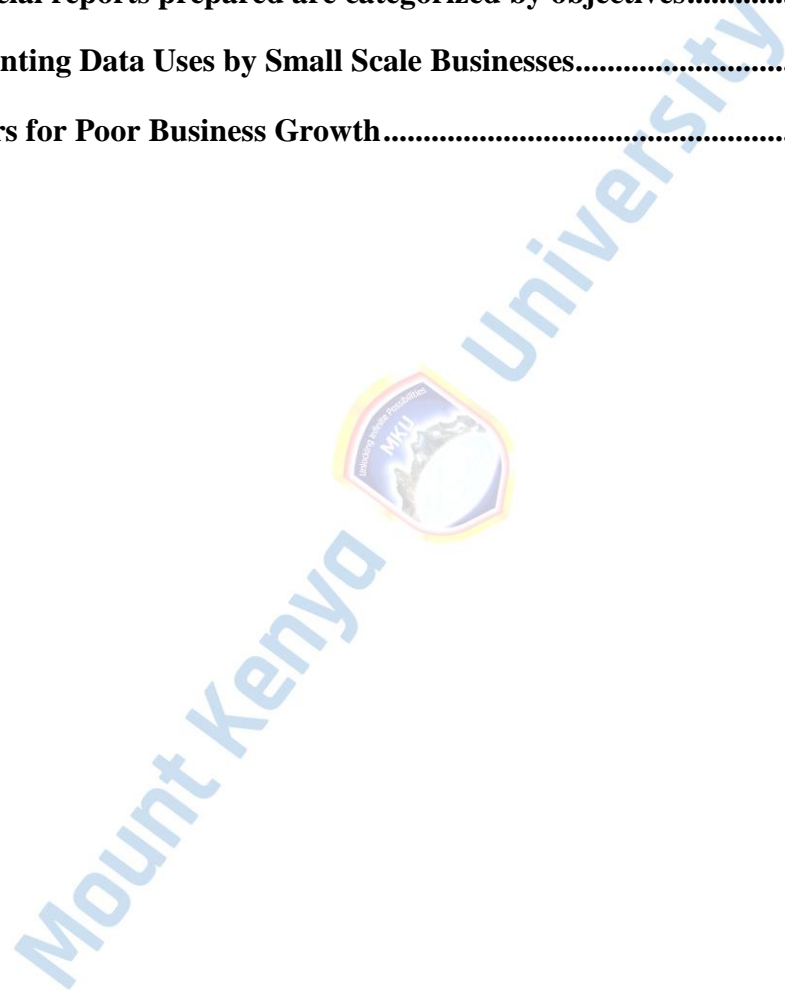
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LIST OF ABBREVIATIONS & ACRONYMS

CLV	Client Lifetime Value
CPA	Customer Profitability Analysis
OECD	Organization for Economic Co-operation and Development
PAYE	Pay as you earn
SMES	Small and Medium-sized Enterprises
UNIDO	United Nations Industrial Development Organization
VAT	Value Added Aax



CHAPTER ONE

INTRODUCTION

1.0 Introduction

The chapter contains the background of the study, Historical Background of Accounting, Importance of Accounting Information, Small Businesses and Accounting Information, Statement of the Problem, Purpose of the Study, Research Objectives, Research Questions, Significance of the Study, Scope of the Study, Limitations of the Study, Delimitations, Assumptions of the Study and Operational definition of key terms.

1.1 Background of the Study

The goal of this study was to institute a bond between the development of small scale firms in South Sudan and the application of accounting data in management being the process of making business decisions. Making decisions is an ongoing business activity that is carried out at the operational, management, and policy levels. Good business choices are facilitated by accurate and pertinent management information, which includes accounting information. Well-managed commercial enterprises are the outcome of these decisions. Competitiveness is a feature of well-managed businesses that eventually helps them flourish. Therefore, the study's main goal is to examine how the development of small firms in South Sudan is impacted by the utilization of data produced by the accounting process in business decision making.

Due to their economic significance, small and medium enterprises (SMEs), are sometimes referred to as "small businesses" in the context of South Sudan. South Sudan's definition of SMEs is not widely agreed upon, much like it is not in the rest of the world. Nonetheless,

it's widely acknowledged that small firms may be divided into four groups based on how many employees they have: microenterprises, small enterprises, medium enterprises, and big organizations. More than half of the more than 500,000 employees produced in South Sudan during the 2019–2020 fiscal year came from small businesses, according to JICA (March 2022).

About 13.3 million people are living in South Sudan, according to the National Bureau of Statistics (2020), and the country's economy is mostly reliant on crude oil. Finding meaningful work for South Sudan's young, who now make up 12.98% of the country's jobless population, is one of the country's biggest issues, despite the country's 2.9% annual economic growth rate, according to the Economic Survey of South Sudan (2021–2022). Successful small companies generate income and job possibilities in addition to offering goods and services. They fulfil national aspirations in this way. In fact, the expansion of small businesses has been seen as a solution to many socioeconomic problems in many global economies, particularly in emerging markets. These challenges include rising rates of unemployment and poverty, among many others according to Blackburn and Jarvis, 2019; and Organisation for Economic Cooperation and Development, 2019 is that a lot of small firms fail before they even reach their fifth anniversary, and even those that do face difficulties.

According to the South Sudan National Bureau of Statistics (2020) three out of every five firms fail during the first few months of operation. Of those that make it through the first five years, just a small percentage go on to become medium-sized or larger businesses. The calibre of judgements made by persons in charge of a firm affects its growth and success. In

essence, companies' decisions are monetary decisions, and their success depends on the type and calibre of facts utilised in the process. Financial choices are based on accounting information. When accounting data is absent or not used in the decision-making process, business decisions are frequently made poorly, which ultimately has a detrimental effect on the expansion and profitability of the company.

1.1.1 Historical Background of Accounting

Accounting disciplines have been utilised in trade for more than 5,000 years. Eventually, when taxes were introduced, maintaining records became essential for governments to maintain social order. (Balian et al. (2018). Known as the "cradle of European commerce," double-entry accounting was created and used by Venetian merchants during the Italian Renaissance, after the 1494 description provided by Fra Luca Pacioli. Accounting then, as today, is an information method for collecting, analyzing and disseminating financial data about a specific economic entity, regardless of its size. Needles, Anderson & Caldwell, (2018) Since the Industrial Revolution, when management sciences first emerged.

1.1.2 Importance of Accounting Information

Information from accounting is essential to managing expanding companies. The business managers' ability to plan, lead, inspire, and control operations that are meant to expand the company is greatly aided by this knowledge. Brewer, Garrison, and Noreen (2018). The two primary categories of accounting data produced by the accounting process are financial and managerial accounting data, according to Atkinson et al. (2018). Process of management accounting develops and gives managers and staff members both financial and non-financial evidence that they may use to assess and reward performance, monitor performance, and

make wise company decisions. On the other hand, the financial accounting process provides financial data for parties outside the company, including lenders, investors, shareholders, and government agencies trustworthy, precise, and dependable.

According to Vaassen (2019), the process of accounting may not produce correct, trustworthy, and reliable evidence upon which to make wise corporate decisions if the corporate control environment is still weak and ineffectual. The study will assume that small enterprises with a regular schedule of preparing and utilising accounting data for management purpose have to set up an core corporate operating environment with robust as well as efficient internal control systems. These internal controls ensure the dependability of the accounting records system, which produces accounting facts, to the degree that they are operational at all times.

1.1.3 Small Businesses and Accounting Information

According to Hurt (2019), the 21st century economy is driven by information. Because of this, company experts will need to plan and carry out methods for gathering and arranging management data so that it may be utilised for decision-making. It is relieving to know that accounting information, which is usually required for managerial purposes in small firms, is generally simple to grasp and use, even if the accounting practice can produce sophisticated, thorough, and even difficult facts that is required for managerial decisions. Small firms often prepare basic, periodic accounting information. It might be made every week, every month, every quarter, or even every year. Statement of Comprehensive Income, a balance sheet statement, statement of cash flow and other supporting documentations are often included in this accounting data.

According to Thacker (2019), small firms utilise accounting data for a variety of purposes, such as tracking sales, receivables, and payables and applying for financing from lending institutions. Making commercial judgements and calculating earnings or losses over a given length of time are two further uses. Accounting information is also generated periodically to enable Value Added Tax (VAT) and other taxes to be settled with government tax department. This remark contrasts sharply with that made by Gibson (2016), who notes that small firms rely more on trust and judgement than on formal information and accounting systems when operating their operations. Notwithstanding the aforementioned, Jones (2021) contends that companies of all sizes must maintain their competitiveness in order to endure and expand. As a result, accounting data becomes essential for corporate decision-making to ensure its continuous competitiveness.

Accounting information preparation, much alone comprehending and using it, is a highly specialised task that many small firms may not be able to perform due to skill and resource constraints. This is why most small business owners and managers develop their management style through sampling and fault. For this reason, Jones (2021) argues that their management style is adaptive rather than strategic, more attentive to short-term than long-term issues, and integrative rather than analytical. According to King K & McGrath (2016), most small company owners and operators in underdeveloped nations such as South Sudan have limited educational backgrounds, which leaves them ill-prepared to carry out.

According to Blackburn et al. (2019), the decision maker will find it difficult to interpret the accounting information because of these low levels of knowledge. Furthermore, an operative structure that can provide accurate and well-timed accounting data may not be supported by

the little amount of funding and the sheer size of the company. To mitigate the aforementioned situations, Gilley et al. (2018) contend that small enterprises can acquire the necessary skills and expertise from outside service providers. In fact, McIvor (2019) states that small organisations can effectively outsource a large number of tasks for which they lack the internal knowledge, skills, experience, or competence. According to the ICPAK (2019) database, there are about 800 qualified public accountants in Sudan who work for themselves in private practises.

1.2 Statement of the Problem

According to Blackburn and Jarvis (2019), small company success has been seen as a solution to several societal problems, such as rising rates of unemployment and poverty, in many global economies, particularly in developing markets. The problem is that a lot of small firms fail before they even reach their fifth anniversary, and even those that do have difficulties. The South Sudan National Bureau of Statistics (2020) reports that only a small percentage of enterprises that survive the first five years expand slowly, with three out of every five failing during the first few months of operation. This circumstance may have a direct bearing on the calibre of commercial choices made in the administration. Among other things, these flourishing or expanding companies see gains in market share, personnel count, turnover, profitability, and product uniqueness.

Financial choices are based on accounting information. Every choice you make in business has an impact on your finances. In this sense, making poor judgements based on incomplete or non-applied accounting information might hinder the expansion or prosperity of small enterprises. This final effect will result in the unavailability of merchandises and facilities,

capital generation, and work generated by the small companies. The idea of small firms' importance in many global economies is undermined and frustrated by this. Despite the empirical reviewed, there is no study carried out to determine the degree to which South Sudanese small enterprises utilise accounting data when making decisions.

1.3 Purpose of the Study

The general purpose of this study was to investigate and discover the level to which information produced by practicing accounting are utilized in the strategic decision formulation of small scale businesses in South Sudan.

1.4 Research Objectives

The specific objectives of the study are:

1. To investigate whether small business in South Sudan maintain accounting records.
2. To find out the various nature of accounting journal maintained by the small businesses in South Sudan.
3. To find out the main uses of accounting information on the performance of small businesses in South Sudan.

1.5 Research Questions

1. Did small business in South Sudan maintain accounting records?
2. What was the various nature of accounting journal maintained by the small businesses in South Sudan?
3. What are the main uses of accounting records on the performance of small businesses in South Sudan?

1.6 Significance of the Study

To the national economy

It is well known that several nations, particularly developing ones, have identified the small company sector as a key engine of social and economic growth. The body of research on small enterprises suggests that the industry contributes significantly to South Sudan's overall productivity and employment prospects. Therefore, authorities' advocate for small companies in South Sudan are very concerned about the expansion of small firms.

To generate knowledge of small businesses in South Sudan

The drive to continuously look for fresh information on the elements that favourably impact South Sudan's small companies' growth is fueled by the recognition of the importance of small enterprises to the country's economy. Numerous studies on the influence of accounting information system on small enterprises have been conducted, particularly in Asia continent countries like Malaysia, Singapore, and India. It is true that several of these research have connected accounting data to small business expansion. Notwithstanding the aforementioned facts, no study has revealed the degree to which accounting information was utilised in the decision making process of small firms, hence it remains questionable if accounting records influences the small business growth in South Sudan in any meaningful way.

The claim was that despite operating without any officially created accounting data, a large number of small enterprises exist in South Sudan and continue to develop year after year. Therefore, defining the effect of accounting information on the growth of small scale businesses in South Sudan, this study was anticipated to provide a valuable contribution to

the search for new knowledge. Accounting data was included in the study's list of variables influencing the nation's small company growth hence having an impact on advocacy and policy concerning the production and application of accounting data in small business management.

To Scholars and Researchers

It's expected that this new understanding, small business directors and shareholders would begin gathering and utilising accounting data when making decisions. Better judgements will be made as a consequence, increasing profitability and eventually fostering the expansion or success of the companies. Scholars will be able to explore new areas of inquiry and gain extra knowledge on how to improve corporate practises by connecting accounting data to the expansion of small enterprises.

1.7 Scope of the Study

Small enterprises, which are defined in this research as those with one to fifty employees, are mostly located in urban and market centres in South Sudan. They may be found in many different places, from unofficial kiosks to legally recognised companies. To guarantee the creation of a reliable demographic frame, only registered small firms listed in the South Sudan business directory was included in the study. The population of South Sudan is becoming more urbanised at a rapid pace, which is placing an excessive strain on the resources available to support the growing number of small enterprises functioning there. Therefore, income and jobs must be developed at a rate that outpaces the urbanisation process in order to lessen the impact of poverty that comes with population growth.

1.8 Limitations of the Study

Generalizability of the investigation's conclusions was the primary drawback. This is due to the study's correlational design, which aims to link accounting data to the development and success of South Sudan's small enterprises. Only small firms that are included in the South Sudan Business Directory will be derived from the population frame, and will also be the subject of the study due to the directory's voluntary nature. Resource shortages, particularly when it comes to data collection, are another obstacle. Nonetheless, this restriction is lessened by concentrating on small enterprises that are active in South Sudan. The user and preparer of accounting information must possess advanced abilities in order to prepare and use it. Inadequate accounting proficiency among the participants.

1.9 Delimitations

This study focuses only on small-scale enterprises in South Sudan. It also focuses on conventional accounting records, types of accounting information, and the main uses of accounting information on the performance of small businesses in South Sudan.

1.10 Assumptions of the Study

The study was based on the assumption that the sampled enterprise provide a true reflection of the condition of small scale firms. The study also assumes that all the responses would returned on time.

1.11 Operational definition of key terms

Performance: it is the result of activities of an organization or investment over a given period.

Accounting Information: This is a system of collecting, storing, and processing financial and accounting data that is used by decision-makers.

Small and Medium-sized Enterprises: in the context of this study, SMEs refer to licensed start-up enterprises with internal financing and less than 20 employee's businesses in South Sudan.

Financial Statement: These are formal records that outline the financial activities of a business, an individual, or any other entity

Ledger: This is a register containing various financial accounts where records of transactions related to a particular account are kept.

CHAPTER TWO

LITERATURE REVIEW

2.0 Introduction

This chapter entails the literature reviewed by the researcher both empirical sources on accounting information uses and theoretical sources upon which the study was based. The chapter discuss precisely empirical literature review, the objective of the study, Theories in relation to the study, conceptual framework and summary of the existing literature gap.

2.1 Empirical Literature

Numerous studies show that small firms tend to do financially better than those that do not when they prepare and use accounting records in their managerial operations. Thus, Davila and Foster (2017) argue that the implementation of functional budgeting, an important management accounting information system, has led to a significant increase in sales volume and workforce of company. In fact, the adopter's operating budget portfolio has seen notable growth. According to a study by Okwena Kengere (2010), many small business owners and managers have slight to no understanding of bookkeeping, which is a basic procedure in the generating and providing of information regards accounts.

The study presented compelling evidence indicating that the financial performance of a business can be significantly influenced by accounting practices. Through a comprehensive analysis conducted by Mbogo (2017), it was revealed that business owners and managers who possess a solid foundation in accounting demonstrate a profound positive impact on their decision-making processes, thereby contributing to the overall success and advancement of Small Medium-sized Enterprises (SMEs). By focusing on the role of

management accounting skills in driving the prosperity and expansion of Small Medium-sized Enterprise (SMEs), the research shed light on the vital importance of financial acumen in managerial decision making.

Furthermore, Shields and Shelleman (2019) explored into the manner in which the mindset and approach of the firm owner-manager play a pivotal role in effectively leveraging management accounting reports generated through tools like QuickBooks software. Their findings underscored the critical link between the utilization of accounting information and the management of accounts receivable, highlighting that businesses that actively employ accounting data to supervise their accounts receivable experience a noticeable reduction in the amounts owed compared to those that neglect this aspect.

In essence, the cumulative findings mentioned serve to validate the assertion that companies which integrate accounting data into their operational frameworks are more likely to achieve superior financial outcomes. This indicates that a strong emphasis on accounting practices not only enhances decision-making capabilities but also plays a crucial role in fostering financial stability and growth within the business landscape.

2.1.1 Maintenance of Accounting Records

Amissah (2015), argue that the history of accounting data keeping dates back to ancient Rome. But accounting information keeping has now reached a certain level of perfection, as it previously originated with the Italians who originated the theory of accounting. Keeping accounting information is vital to running a corporate, especially small scale businesses.

Musah (2017), stated that accounting information involves the systematic recording and organization of day-to-day business transactions, such as receipts and payments, in a

structured manner. This also includes the maintenance of a detailed chart of accounts illustrating an organization's economic resources and obligations, enabling the entity to effectively assess its financial performance over a specific period.

Expanding upon the importance of accounting in business operations, it becomes apparent that the meticulous tracking of financial transactions is not merely a task confined to ledgers but a fundamental pillar supporting the very structure of any successful organization. As Adeyemi & Akanji (2020) properly expound, the process of bookkeeping serves as the backbone of financial management, providing a systematic way to document every monetary exchange with precision. Without this comprehensive recording system, businesses would be adrift in a sea of incomprehensible figures, unable to gauge their progress or make informed decisions. Therefore, it is imperative to recognize that accounting transcends mere number-crunching; it is the art of transforming raw data into actionable insights that propel businesses towards their goals. In essence, by embracing accounting practices, enterprises craft a roadmap of their financial journey, enabling them to navigate economic landscapes with clarity and purpose, ultimately leading to sustained success and growth in the competitive business world.

Furthermore, accounting information management in small businesses delineates the systematic upkeep of financial records either manually or through electronic systems, with the primary objective of generating consistent and accurate data for the purpose of evaluating the financial health and sustainability of the enterprise.

2.1.2 Nature of Accounting Journals Maintained by Small Scale Businesses

To properly manage financial records and ensure accurate tracking of their daily operations, businesses must diligently maintain detailed records of various transactions, including purchases, sales, as well as other receipts and payments. The significance of recording these financial activities cannot be overstated, as it provides a clear picture of the company's financial health and performance over time. Moreover, the types of accounting records that small and medium enterprises (SMEs) are advised to uphold have been extensively explored in academic studies conducted by Adofo (2015), Odhiambo (2016), Adjei et al. (2014), Amoah et al. (2014), Manyani, and Maseko (2016).

Despite the established guidelines on maintaining accounting records, as noted by Manyani and Maseko (2016), it is crucial to recognize that not all small and medium-sized enterprises (SMEs) are obligated to strictly adhere to these standards. Manyani and Maseko emphasize the importance of companies defining their individual objectives and goals, both in the short and long term, before finalizing their record-keeping strategies. This tailored approach ensures that businesses align their financial practices with their specific needs and growth trajectories.

In the dynamic landscape of financial regulations, companies often find themselves at a crossroads, debating the necessity of certain financial accounts set out by regulatory bodies. Understanding the distinction between obligatory and discretionary accounts can significantly impact a company's compliance efforts and resource allocation. Manyani, and Maseko (2016).

Further more, Manyani, and Maseko (2016) urge there are many factors that come into play when businesses deliberate on the extent of their record-keeping obligations. Variables such as industry specific requirements, company size, and operational complexity can influence a company's decision-making process. By conducting a thorough assessment of these factors, companies can better identify the most pertinent financial records to maintain, ensuring both compliance and operational efficiency.

Therefore, when a company chooses to retain accounting records, it must carefully evaluate the regulatory requirements to discern the mandatory and discretionary financial accounts. This scrutiny ensures compliance with relevant regulations and standards while also facilitating informed decision-making processes. Among the essential financial documents that small businesses commonly maintain are ledgers that provide a comprehensive overview of their financial transactions and help manage their financial resources effectively Manyani, and Maseko (2016).

2.1.2.1 Sales Journal

A sales journal is a book that records day-to-day sales made by a company on credit. This typically includes accepting orders, setting credit terms, preparing documentation, collecting tax data, and in some cases determining distributor commissions (Odhiambo, 2016). In large organizations, the sales department does that. Ukwueze et al. (2022) state that a sales journal, also known as a sales ledger is used to register all business cash sales along with copies of all bills issued.

2.1.2.2 Purchase Journal

Similar to the sales journal, the purchase journal is used to register all the purchase made on credit by a company on a day-to-day basis. This includes sourcing (purchasing) raw materials or inventory. Kakande (2015) as cited in Odhiambo (2016) states that procuring method involves ordering, receiving and paying for goods and services requested by the institution.

2.1.2.3 Cash Book

A cash book is a book that records all cash receipts and payments in business activities. Adofo (2015) states that in most small and medium-sized enterprises (SMEs), all cash receipts and payments are supported by receipts and payment receipts with appropriate documentation and explanations, usually including all bank transactions.

2.1.2.4 General Journal

General Journal is the maintenance of books and ledgers for registering and classifying traditional monetary transactions. It's typically for the preparation of balance sheets and other financial statements (Odhiambo, 2016).

2.1.3 Accounting Information Uses

In all categories of corporate institutions, accounting data are important to business. Maintaining accounting information is essential to the progress of a business entity. Previous studies have indeed highlighted that proper accounting data keeping within a company has a positive relationship with a company's operational and fiscal performance (Attom & Mbroh, 2017).

Ezejiofor (2014) establish that a comprehensive record management allows entrepreneurs to produce accurate and timely financial reports that show the company's progress and current status. Financial reports produced by a good accounting system allow you to perform financial analysis by comparing the results of one accounting period to another. Measuring business performance is considered a tough assignment, especially for small scale firms, and the challenge is related to defining the fundamental performance dimensions. Although there are many ways to measure performance, Kibet (2018) believes that the progress of small and medium-sized enterprises depends largely on sales, the factor that contributes most too business goals, while profit is the driving force behind a company's stability.

Fasanmoye (2021) states that the uses of accounting information cannot be underestimated; because it is the basis on which modern businesses rely and it is impossible to determine a company's level of profitability unless proper records are maintained. Further, he revealed that the maintenance of accounting information influences corporate decision-making. Maintaining proper accounting information increases a company's chances of success and provides information for managing liquidity within the company.

Musah (2017) and Ademola et al. (2014) showed that maintaining proper accounting information helps prevent corporate failure and also provides useful data for planning and control. Fiscal institutions, especially banks, typically require up-to-date financial statements and as well as a written estimate that showed the effectiveness of the demanded credit facility. Some banks may require certain accounting procedures to ensure that the company is run soundly and professionally (Amissah, 2015).

Adofo (2015) conducted a study to examine the level of awareness and openness towards financial record management of small and medium enterprises in Nkawkaw City Ghana as the study area; He noted out that an appropriate accounting data keeping enables management to understand the financial situation, which is useful for decision making as well as for audit and tax assessment purposes. Other benefits include support for borrowing and selling company assets.

Ezejiofor (2014) state that companies are not required to maintain accounting information in a special way, but proper accounting information can help maintain accurate income and expense details, thereby meeting a company's profit goals and collecting the various financial information needed for tax purposes. The current business environment is as well competitive for organizations, indeed in the event that they are church organizations, there is a positive relationship that has been established between good accounting practice and organizational performance according to Odhiambo (2016).

Maintaining a suitable system of accounting data provides the basis for comprehensive and accurate tax calculations, thorough future planning, and consultation with business associates, rivals, prospective shareholders, and moneylenders. Small scale business owners and directors rely on accurate accounting information to make good and formal decisions about their businesses according to Muteti et al., (2018).

2.2 Theoretical Review

The correlation between accounting information and the performances of Small Medium Enterprises (SMEs) is adequately justifiable by a knowledge based theory of a firm and record Continuum theory.

2.2.1 Knowledge based theory

Knowledge-based theory of a company contemplates information as the most strategically significant resource of a company. Knowledge based theory was first developed by Penrose as a resource-based view (RBV) in 1959. In any case, it was afterward adjusted by other researchers, counting Wernerfelt, Barney, and Conner (Curado,2019). The advocates of the knowledge-based hypothesis contended that the resource-based see does not go distant sufficient. Especially, information is treated as a non-specific asset by RBV, rather than having extraordinary characteristics. Hence, it does not recognize between diverse sorts of knowledge-based capabilities. The advocates of the knowledge-based hypothesis set that information is inserted and carried through different substances counting organizational approaches, schedules, records and workers (Counting accountants).

The financial alter from material-based generation to information-based generation made a revaluation of the firms' laborers. Progressively we discover information laborers at the center of the businesses' capacities: concept and innovation architects, as well as back and administration specialists, among others. Other people are considered to be within the firm's outskirts, as a result their duties alter ceaselessly and they are characterized by the assignments they perform at any given minute. This be that as it may come about in a modern separation in work (Child and McGrath 2015). Numerous firms consider that act with adequacy in today's economy, they must ended up knowledge-based organizations, but few of them get it what which means and how to attain it.

Zack (2016) states that: Maybe the foremost common botch firms make is considering that the higher the information substance of their items and administrations, the closer they are

to being genuine knowledge-based organizations. Be that as it may, items and administrations that are the unmistakable and unmistakable reality they display to their clients are the tip of the ice sheet. For the genuine ice sheet, the most reality that permits a firm to deliver is found underneath the water and inserted inside the intangible resources of the organization; and it is approximately the information of what the firm does, how it is done, and the reason for doing it that way.

The knowledge-based scholars assist contend that all information at the transfer of a firm are clever in one way or the other, but particular sorts of information are of more competitive advantage for the firms. This can be where its significance is connected to this consideration. Indeed, there are no legitimate booking hones without the bookkeeper; and accounting information and abilities may be ingenious firms. Subsequently, accounting information may be competent in progressing execution, and as such progressing the competitiveness of firms.

2.2.2 Record Continuum Theory

Record continuum theory, as introduced by Upward in 1996 and later supported empirically by McKemmish in 2017, presents a comprehensive conceptual framework that delineates the intricate landscape of records management. This theory delves into the multifaceted realm of managing records within diverse organizational structures, covering government records management, historical records preservation, and contemporary records administration. It highlights the dynamic nature of records management, emphasizing the interconnectedness of various actions and processes involved.

Moreover, the theory elucidates the pivotal role of policies, frameworks, systems, laws, and practices in shaping and overseeing effective records management practices, especially in

organizations facing distress. Alhassan and Muazu's research in 2014 reinforces the importance of aligning records management with established regulations and structures to ensure compliance and operational efficiency.

A significant aspect of the record continuum theory is its guidance on the treatment of business records based on their economic value. According to Alhassan and Muazu (2014), the theory advocates for the systematic disposal of records with no economic significance, thereby streamlining the organization's information landscape. Conversely, records deemed economically relevant are meticulously maintained and cataloged in accounting records to serve as valuable sources of insight for informed decision making processes.

In essence, the records continuum theory represents a holistic approach to records management, encompassing not only the technical aspects but also the broader contextual factors that influence the lifecycle of records within organizations. It underscores the need for strategic planning, sound governance, and continuous appraisal to uphold the integrity and utility of records amid evolving operational landscapes.

Records continuum theory further posits that record keeping is a continuum over which business transactions can be tracked. First, a record is created and recorded based on the transaction. Records are then managed as part of organizational activities and appropriate evidence regarding the creation of record-keeping activities is also created for auditing and archival purposes. Based on the recording continuum theory, financial accounting as a discipline requires transactions of an economic nature to be recorded, classified, organized, and interpreted for use by internal and external users.

In line with records continuum theory and considering the purpose of this study, record keeping and maintenance is part of a business process and there are several practices that are considered acceptable due to aspects such as consistency and objectivity which serve as a guideline on how business records and transactions are managed (Flynn, 2015). In the field of financial accounting, keeping books and records is a fundamental requirement that runs through all other practices.

The daily practice of bookkeeping, accounting bookkeeping, accounting treatment, financial statement preparation, and analysis has the fundamental activity of maintaining records properly (Adaane, 2016). Therefore, the record continuum theory directly supports the application of financial accounting information in the workplace.

The relationship between record continuum theory and financial accounting practices creates generally accepted accounting principles that guide the creation of accounting records and ledgers (Adaane, 2016). These principles include regularity, consistency and honesty, consistency of method, the principle of non-compliance, prudence, continuity, periodicity, materiality, and the principle of utmost good faith (Palmer, 2020). As a result, International Financial Reporting Standards establish rules for reporting financial transactions that all companies worldwide must follow to promote comparability, transparency, and consistency in financial reporting (Palmer, 2020). In fact, the record continuum theory serves as a basic theory of records management in firms, and this study builds on this theory to show that proper accounting information and the accompanying compliance with accounting practices are beneficial to a firm's business growth.

2.3 Theoretical Framework on Small Businesses Growth

According to Mao (2019), the term "enterprise growth" refers to the process by which small businesses expand into larger ones and transform from weak to powerful. This is a factual assertion that corporate businesses undergo changes throughout time that lead to variations in the variables used to gauge their sizes. He goes on to say that the union of quantity and quality is company growth. The scale of the business, as determined by factors like growth in turnover, market-share, manufacture value, profitability, workforce, reflects increase in quantity.

While on the other side, the improvement of firm quality comprises of organisational innovation and reform, the capacity to innovate technologically from immature to mature production technology, and the best possible return on investment and output, reflects the growth of quality. The discovery of characteristics that separate businesses that thrive from those that stagnate or fail is a topic of great interest in the fields of small business policy and research in many different nations. According to Turok (2018), pinpointing the distinguishing characteristics of more and less successful businesses can also shed light on the variables affecting the growth of small businesses and enhance our understanding of how they operate.

The investigation of the choice to launch a business has been expanded by theories of small business growth. According to Davidsson (2014), company growth is a sign of persistent entrepreneurship, and those economic theories predict that small enterprises would seek expansion in order to maximize profits. Nevertheless, actual data indicates that profitable companies of various sizes coexist within industries and that small firms proprietors are

hesitant to develop, even when they have potential for profit expansion. Thus, Davidsson contends profit maximization is but one potential driver of corporate growth and that the owner-manager has the ultimate say over the direction of the company. Numerous ideas have been proposed to elucidate the process for the growth of small firms. Amongst the hypotheses are the business life cycle theories, which often draw parallels between the development of businesses and the maturation of organisms from birth. According to these beliefs, small enterprises.

While life cycle theories are widely accepted by writers and practitioners, some researchers contend that businesses hardly ever follow an organism's developmental pattern from conception to maturity. In an empirical test of the stages' theory, Miller & Friesen discovered that most organisational development and change were discontinuous in character, with quantum leaps in organisational form interspersed with varied periods of organizational "momentum". In a separate study, the development of technological business advancement over a ten-year period, discovered that less than a third follow growth pathways comparable to those suggested by a life cycle model (Garnsey, Stam, and Heffeman (2016). Conferring to Dyer and Ross (2018), wide range of factors, including effective planning, marketing expertise, and the existence of management skills, competences, or capabilities, affect the success of small businesses. In order for small enterprises to fulfil their anticipated role in reducing unemployment and propelling the nation's social and economic development, they must see notable expansion throughout the course of their existence. In addition to many other strategies, small firms can grow are mergers, acquisitions, franchising, and reinvesting profit to expand their asset portfolio and pay off debt. Small business development and

growth require the right use of necessary instruments and technologies that support business growth. Information is one of these tools and equipment.

To achieve growth, businesses of all sizes need to be managed well. Measures of business growth include gains in cost effectiveness, market share, workforce size and retention, diversification, and uniqueness, and other things. Accounting makes it simple to calculate these variables. Examples of this include profitability metrics like profits per share, break-even points, earnings before interest and taxes, contribution margin ratios, and gross profit margins. Small firms are expected to grow, and decisions on how to proceed will be based on the quantitative measures of such growth pointers.

2.4 Theoretical Review of Accounting Information

Double entry principle bookkeeping approach dates back to the fourteenth century, according to Luca Pacioli's 1494 report. Needles, Andreson, and Caldwell (2016) define accounting as the process of recording and assessing financial transactions to provide data that is useful for the effective management of businesses and other organisations. The purpose of the data generated by the accounting process is to fulfil the needs of clients, both internal and external. The two primary accounting process branches that emerge in this manner are the management and financial accounting processes. Noreen, Brewer, and Garrison (2018), argued that both financial and management accounting procedures have issues in producing and presenting financial information to a variety of consumers.

By the mid-20th century, massive and difficult costing systems were created and deployed, which dramatically increased productivity and improved pricing decisions. Management accounting evolves as business becomes more complex, technology improves, and rivals

emerge. Organisations as General Motors and Du Pont had shifted the focus of management accounting from cost accounting to management planning and control by the 20th century.

According to the American Institute for Cost Management Accounting (2018), management accounting is defined as “a profession that involves collaborating in business decision-making, developing planning and performance management systems, and providing financial reporting and control expertise that support formulation and implementation of organizational strategy.

This concept deals with the planning, operation, and monitoring of systems. It addresses three to business key themes related growth and is constant with the development of management accounting from the beginning up to now. Another important economic activity that relies heavily on management accounting data is the allocation of scarce resources. (Atkinson et al., 2018).

Management accounting offers chronological and predictable total cost data designed by center of accountability to maintain extent and regulator objectives. Anthony, Hawkins, and Merchant (2017), said management accounting is used by relatively fewer individuals with known information requirements than by external parties with suspected information needs. However, external customers are increasingly demanding access to company information that was previously available only to internal users. As evidence of this, the disclosure requirements that accompany each version of the International Accounting Standards issued by the International Federation of Accountants continue to increase. This information could cause the company to collapse in the hands of competitors, so enquiry arises into whether it should have been produced or not. Businesses of all sizes and complexity use management

accounting processes to generate meaningful, reliable management information that can be used to measure growth and productivity and to inform decision-making. According to Vaassen (2019), fact is processed data that has meaning and value for the user. It needs to be valid, comprehensive, timely, user-friendly, and reasonably priced to create. Turnover report, gross profit margins, return on investment, cost of goods sold, manufacturing and distribution unit cost, equilibrium point (break-even points), ordering cost, and other management accounting data are frequently sent to internal users contribution sale ratios, just-in-time schedules, profitability and cost centre results, stock turnover, gearing ratios, debtors' and creditors' days, current ratios, and so forth. Effective company management requires the generation of the aforementioned data as well as a great deal more through the proper use of management accounting.

Information is the engine of the 21st century economy, according to Hurt (2019). In light of this finding, company professionals will have to come up with and put into practice plans for gathering, organizing, and utilizing management data in decision-making. It is relieving to know that management information, which is usually required for managerial decision in small firms, is generally simple to grasp and implement, even if management accounting can give intricate, thorough, and even complex information that is needed for management choices.

Despite this, managing accounting preparation and application is a highly specialized task, and many small firms may not be able to meet the skill requirements. It follows that using management accounting data will put small enterprises' evident problems on hold. Understanding the management accounting information will be difficult for owner-managers

of small businesses due to their low levels of education, and their small size and limited resources may prevent them from having an operative structure that can produce accurate and well-timed accounting data, according to Blackburn et. al., (2019).

Fortunately, external service providers can equip small firms with the necessary capabilities and knowledge. Gilley and others (2018) asserts that small companies may effectively outsource a variety of the greatest desirable provision in generation and use of accounting data.

Three crucial management accounting related pillars of corporate success are planning, controlling, and decision-making, according to Atkinson et al. (2018). While regulating entails obtaining input, planning entails creating company goals and methods for accomplishing them. Making judgements is the third pillar of corporate growth, and it is expected that wise choices will frequently boost profitability, which in turn spurs business expansion. But the issue that emerges from this argument is, "How do sound business decisions get made, and what role does management accounting information play in those judgements? Knowledge management is a notion that is becoming increasingly popular in the process of making corporate decisions.

Santosus and Surmacz (2018), define knowledge controlling as the method through which institutions produce worth from their scholarly and knowledge-based resources. Stated differently, it refers to how information systems and intellectual resources are arranged in a commercial setting. Hurt (2019) argues that corporate managerial decision is a understanding of management process that includes a broad range of procedures managers and company owners employ to collect, arrange, and store information. According to Warren

et al. (2016), corporate managerial decision is the practice of providing correct data to the right people at the suitable period which will assist them in creating knowledge, disseminating information, and acting upon it in ways that will demonstrably enhance their performance. The method revolves around management accounting.

According to Mosoti and Masheka (2018), understanding management is acknowledged as the furthestmost valued strength of an organization nowadays. This recognition has led to a widespread shift in management styles within both developed and developing world organisations. The primary objective of this change is to bolster their capacity to foster innovation and cultivate optimal environments that promote successful competitiveness. These transformations are seen as essential steps towards adaptability in the dynamic business landscape characterized by ever-evolving market demands and technological advancements.

Moreover, Zeng et al. (2016) pinpointed business intelligence as a critical process encompassing the gathering, analysis, and dissemination of information to mitigate uncertainty in strategic decision-making. This view underscores the vital role that data-driven insights play in steering organizations towards informed and strategic choices that align with their overarching objectives.

Furthermore, Ranjan (2019) emphasized the indispensability of robust transaction-focused data systems across various industries. His research underscores the pivotal role of analytically oriented methodologies in empowering commercial enterprises to leverage their existing knowledge effectively in order to sustain their competitiveness. This suggests that

the strategic implementation of data analytics tools can revolutionize how firms harness their internal resources to drive innovation and maintain a competitive edge.

By recognizing that each client possesses a unique value proposition, the utilization of managerial accounting tools such as customer profitability analysis (CPA) becomes imperative. Through a comprehensive assessment of Customer Lifetime Value (CLV) throughout the customer's lifecycle, businesses can gain a deeper understanding of their clientele and tailor their strategies to maximize profitability. This tailored approach enhances strategic decision-making by offering insights into customer preferences and behavior patterns, thus enabling organizations to optimize their resource allocation and marketing efforts for improved outcomes.

In line with this, Selden and Colvin (2015) highlighted the Pareto principle, indicating that a significant majority of an organization's earnings stem from a small proportion of highly profitable customers. This insight underscores the importance of focusing on cultivating relationships with top performing clients to drive sustainable revenue growth and profitability. By aligning strategic objectives with customer-centric initiatives, businesses can effectively enhance their revenue streams and bolster their competitive position in the market, ultimately ensuring long-term success and viability in today's rapidly changing business landscape.

Customer profitability analysis (CPA), according to the Chartered Institute of Management Accountants (2015), is the study of the revenue streams and service expenses connected to certain clients or client groups.

2.5 Conceptual Framework

The link between the variables under research and the general goal of the study are explained in the structure below.

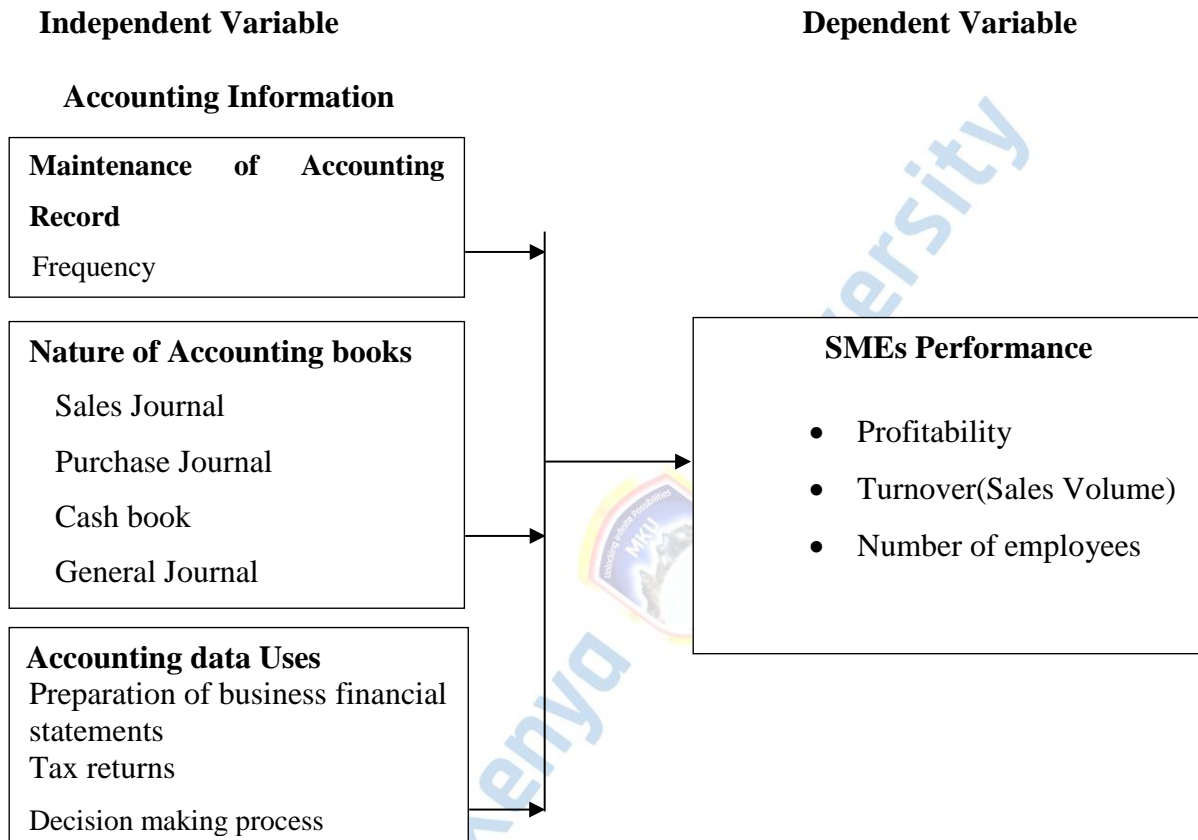


Figure 1: Conceptual Framework

Source: Researcher (2024)

The relationship between the dependent variable was the expansion of the company as assessed by profitability, employee count, and turnover while the independent variable was the maintenance of accounting Record, types of accounts, use of accounting information accounting data in this instance as shown in Figure.1. The moderating factors include government policies, acquired accounting services, and company development services from other shareholders. The choices made by managers and owners of small businesses on the

moderating variables was a major impact on the relationship between the accounting data and the expansion of small enterprises.

2.6 Summary of the existing literature gap

It was clear from a survey of the theoretical and empirical literature that small enterprises are crucial to the economic growth of a nation like South Sudan. In addition to producing money and jobs, they also supply products and services to an economy. Therefore, it is impossible to overlook their role to reducing poverty, particularly in South Sudan. Small firms that are well managed thrive over time. Increases in growth measurement metrics like personnel count, profitability, and turnover are indicative of this growth. Small firms that produce and use accounting data in their managerial decision developments recognize greater monetary performance, according to the empirical literature that is currently accessible. But it's still unclear how much South Sudanese small firms prepare and use accounting data to guide their decisions.

CHAPTER THREE

RESEARCH METHODOLOGY

3.0 Introduction

This section provides a thorough analysis and defense of the selected design. The population was identified, and a description of the representative sample selection procedure was given. Furthermore, the data gathering technology was described, and data analysis was well spoken about. There was also a focus on ethical issues.

3.1 Research Methodology

The core idea that directs an inquiry, research methodology offers a broad plan for researching a certain topic and chooses which research techniques to use (Dawson, 2019). Research methods pertain to the particular tools and techniques used in gathering data. Research constraints and ethical considerations should be taken into account when selecting the best approach for a certain topic of study since they may have an impact on the caliber and reliability of the study's conclusions (Dawson, 2019).

For the purpose of this study, the researcher deployed a quantitative research method which according to Amarantunga & Baldry, 2017 is based on data that can be accurately and precisely measured. This approach is also known as empirical research. Quantitative or empirical research is statistical in nature and quantifies opinions, behaviors, attitudes, and other defined variables. It provides measurable data to formulate theories and facts and uncover patterns. Among the numerous points of interest of the quantitative inquire about approach is its capacity to improve the speed of conducting inquire about. Advance, it offers

a broader scope of an arrangement of occasions where measurements are combined from a bigger test.

3.2 Research Design

Mugenda and Mugenda (2015) stated that descriptive statistics provide for a detailed descriptions of measures while using a small number of statistics. So the researcher adopted a descriptive research plan in this study. Using a descriptive research approach, the researcher was able to understand the association between accounting information and the performance of Small scale businesses. Furthermore, the researcher also was able to analyze the occurrence in a natural setting because of this research methodology.

3.3 Target Population

The population consists of 488 small enterprises that are registered in the South Sudan Business Registry. Businesses with one to fifty employees and those that have been in operation for at least three years are what set this demographic apart. Small companies are recognized to generate income and jobs quickly, which is a significant contributor to economic growth.

3.4 Sample Design and Sample Size

The purpose of study was to determine whether the preparation and use of accounting data in the decision making process of small scale firms in South Sudan has a positive or negative correlation with their growth. In other words, the results of the sample selection was applicable to the population under study. The South Sudan Business Directory database (2022) provides a reasonably current list of small businesses in South Sudan, which served as the population frame for this study. The probability random sampling technique was

chosen because each element in the population has an equal opportunity of being selected. Mugenda and Mugenda (2015) state that simple random sampling is a probabilistic sampling method that guarantees that all subjects, objects, or respondents have a break even with chance of choice. A simple random sampling method was used to select the sample. 49 small businesses were selected using this technique, whereby according to Mugenda and Mugenda (2015) sample of 10 percent of the population is considered to be sufficient under descriptive study.

3.5 Source of Data Collection

The study deployed two sources which are primary and secondary data. The primary data was obtained using questionnaires from the respondents; while the secondary data was obtained from statistical data retained by the South Sudan National Bureau of Statistics, and Journals on small business management.

3.6 Construction of Research Instruments

The investigator utilized a comprehensive questionnaire as a strategic tool for collecting primary data in the research study. In order to effectively gather data from the specified target audience, a survey was conducted as a vital component of the research methodology. It has been recognized that questionnaires offer a cost effective and efficient means of data collection compared to alternative methods such as interviews or online surveys. Additionally, questionnaires prioritize the protection of respondents' anonymity, particularly when dealing with sensitive information, as highlighted by Abbott & McKinney (2015).

The formulation of the questionnaire's statements was meticulously designed to align with the research variables under investigation, ensuring relevance and accuracy in data collection

processes. Cooper and Schindler (2018) emphasize the reliability and objectivity of utilizing numerical scales within questionnaires. By incorporating numerical scales, subjectivity is minimized, enabling a more focused exploration of the study's significance and facilitating easier generalization of findings. This method also streamlines the process of data interpretation, enabling a smoother transition from raw data to meaningful conclusions within the context of the research study.

3.7 Reliability and Validity of Research Instruments

3.7.1 Reliability

The clarity of the questionnaire was assessed using the pilot test findings. Inadequate or unclear survey items were replaced in order to raise the standard and reliability of the surveys. The study tested dependability using the Split-Half approach. To do this, the pilot questionnaires must be divided in half. A correlation coefficient must then be determined for each half, and the test's internal consistency must be expressed in terms of how closely the two halves returned the same responses. It was acceptable to have a dependability value of at least 0.7.

3.7.2 Validity

Accurately reflecting the phenomena under examination is crucial in determining the validity of a research study (Collis & Hussey, 2014). The effectiveness of the study hinges on how closely its findings align with the actual subject matter being studied. Both the face and substance of the questionnaire played a significant role in data collection, showcasing the thoroughness and attention to detail in the research process. Employing content validity was essential to ensure that the data gathering, analysis, and interpretation all fell within the

scope of the research objectives. Moreover, the guidance provided by the supervisor was instrumental in assessing the face validity of the questionnaire. The changes implemented based on the supervisor's feedback were a direct result of the collaborative effort to enhance the questionnaire's effectiveness. This iterative process of refinement and validation ultimately contributed to the general excellence of the study.

Furthermore, a comprehensive evaluation of the questionnaire's design and structure highlighted the researchers' dedication to producing rigorous and reliable results. The meticulous attention paid to the questionnaire's validity and reliability underscored the researchers' commitment to upholding the highest standards of academic integrity. The thoughtful integration of feedback and the continuous refinement of the research instruments served to enhance the credibility and trustworthiness of the study findings.

3.8 Data Collections Methods

This study used a structured questionnaire to collect data from sample participants in order to meet its objectives. Data pertaining to the variables and the answers provided on the questionnaire were documented.

3.9 Data Analysis Techniques

Data analysis was conducted using SPSS. Excel spreadsheets were also used to help with the correlational analysis method of data analysis. Data editing, addressing blank replies, coding and categorizing data, and data file creation are all steps in this data analysis process. Note questionnaires was used to collect the primary data. To provide the reader with a sense of the data, computations including mean, standard deviations, correlations, and frequency distributions will be performed and compared with industry averages derived from

secondary data. The research also employed document analysis, according to Sarstedt M. (2019), defined as a method used to gather data in a study that defines the act of examining present documentation about comparable business processes or systems. Document analysis requires collecting and examining documents precise to a cluster in terms of the features of each cluster member. For clarity, the study was provided in a descriptive format with charts, graphs, and percentages. The variables' regression model was look like this.

$$Y = \beta_0 + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + \epsilon$$

Hence;

Y= SMEs Performance

X1= conventional accounting

X2= Types of Accounting

X3= Uses of accounting information

β_0 = The Constant

ϵ = Error term

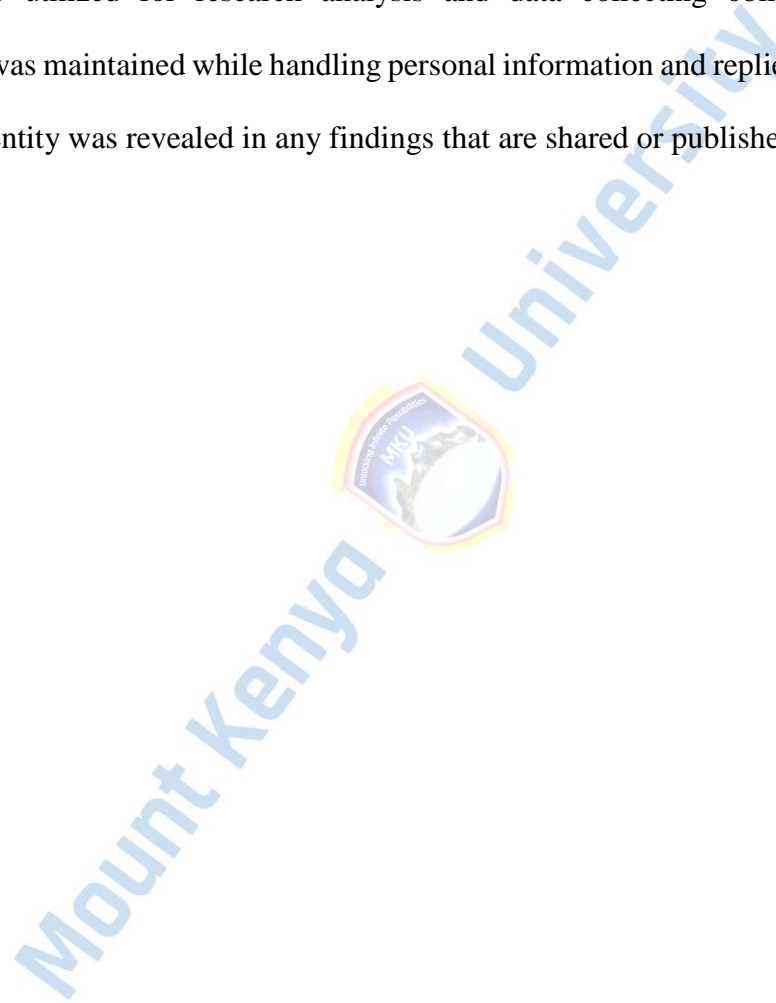
$\beta_1, \beta_2, \beta_3$ = Regression coefficients values.

3.10 Ethical Considerations

The study took a number of actions to guarantee that the rights and privacy of research subjects are protected in accordance with ethical principles. Prior to individuals taking part in the research, an introductory letter was included to the research instrument to get their consent. Getting the research subjects to participate voluntarily and knowingly requires

taking this important step. Additionally, in order to ensure that the research is carried out with the required institutional authority, the study first got research authorization from Mount Kenya University and NACOSTI before starting data collection.

Respondents' privacy and confidentiality was protected because data provided by the respondents are utilized for research analysis and data collecting obligations. Strict confidentiality was maintained while handling personal information and replies to make sure that no one's identity was revealed in any findings that are shared or published.



CHAPTER FOUR

RESEARCH FINDINGS AND DISCUSSIONS

4.1 Introduction

This section includes the presentation and results of the research as presented in the research methodology. The analysis of the results was carried out using data collected from 49, respondents through the questionnaire complete. This chapter is limited to background information and analysis of specific objectives.

4.2 Research Results

4.2.1 Participants Response Status

During the study period, a total of 49 detailed questionnaires were meticulously and thoughtfully prepared and then carefully distributed to various Small and Medium-sized Enterprises (SMEs) located in the bustling urban center of Juba Payam, the capital city of the dynamic and rapidly growing country of South Sudan in the heart of Africa. Surprisingly, with meticulous attention to detail, each of these questionnaires was delivered personally to the doorstep of the identified SMEs, ensuring a personalized touch and fostering a sense of importance for the recipients within the diverse business landscape of the region.

Remarkably, it was observed that not only did every single questionnaire entrusted to these SMEs receive the utmost care and consideration, but they were also promptly completed and returned without delay. The dedication and thoroughness displayed by the SMEs in responding to the questionnaires highlight the significant level of engagement and cooperation that characterized the survey process, emphasizing the strong commitment of

these businesses towards contributing to the valuable research aimed at enhancing their understanding of the local business environment in Juba Payam.

Furthermore, this exceptional outcome of a flawless 100% response rate from the surveyed SMEs exemplifies the unparalleled level of dedication, enthusiasm, and willingness to collaborate exhibited by the business owners and managers in this vibrant urban setting. It signifies not only a willingness to participate in research activities but also underscores a deep-rooted sense of responsibility and proactive engagement towards fostering a culture of data-driven decision making and continuous improvement within the Small and Medium-sized Enterprises (SMEs) community operating within the bustling cityscape of Juba Payam.

Table 1: Participants Response Status

Response	Frequency	Percent
Questionnaires Returned	49	100.0%
Questionnaires Not Returned	0	0.0%
Total	49	100.0%

Source: (Survey data 2024)

4.2.2 Businesses Characteristics: (Position, Nature and Sector, Period of Operation)

Of the participants involved in the survey, a notable majority, which represented a total of 84% of the group, were identified as owner-managers within their respective companies, showcasing their significant role in the organizational hierarchy. In contrast, 14% of the respondents held senior employee positions, indicating a level of authority and responsibility, while a small fraction, specifically 2%, were categorized as other employees, reflecting the diverse workforce composition of the surveyed businesses.

Moreover, examining the structure of the surveyed businesses sheds light on an interesting trend: a vast majority, constituting 86% of the entities, were operating under the legal framework of limited liability companies, solidifying their legal status. In contrast, a mere 14 units were lacking such recognition, hinting at a potential area for further exploration regarding regulatory compliance and corporate governance practices.

Transitioning to an analysis of the industries represented in the survey data, a significant proportion of 74% of the respondents were actively engaged in the service sector, highlighting the prevalence of service-oriented businesses within the sample. Furthermore, 25% of the participants were situated in the distribution sector, emphasizing the role of logistics and supply chain management in the surveyed businesses, with a minor 1% operating in the manufacturing sector, suggesting a niche presence in terms of production-focused activities.

An intriguing insight from the survey findings pertains to the longevity of the businesses involved, indicating that a staggering 88% of the enterprises had established a substantial presence in their respective industries for more than 5 years, underscoring a commendable level of stability and experience garnered over time. This extended period of operation suggests a deep understanding of market dynamics and a proven track record of adapting to industry shifts.

Delving deeper into the responses provided, a significant portion of the participants, specifically 73%, attributed the enduring success of their businesses to a steadfast commitment to providing service excellence that consistently meets or exceeds customer expectations, emphasizing the importance of customer-centric strategies in sustaining

competitiveness. Conversely, 18% of the respondents attributed their survival to being strategically positioned in a nascent industry that is experiencing growth and evolution, showcasing the benefits of early market entry and sectoral expansion. Interestingly, a mere 4% of the respondents credited their long-term sustainability to their innovative prowess and ability to deliver creative product offerings, highlighting the role of continuous innovation in maintaining a competitive edge in dynamic market environments.



Table 2: Nature of the Businesses: (Position, Type and industry, Period of Operation)

Position	Frequency	Percent
Owner-Manager	41	84.0%
Director	7	14.0%
Other Staff Member	1	2.0%
Total	49	100.0%
Nature of Business	Frequency	Percent
Limited Company	42	86.0%
Sole Proprietorship	6	12.0%
Partnership	1	2.0%
Total	49	100.0%
Main Firm's Activity (Industry)	Frequency	Percent
Service Sector	36	74.0%
Distribution Sector	12	25.0%
Manufacturing Sector	1	1.0%
Total	49	100.0%
Period of Operation	Frequency	Percent
0 - 1 year	1	2.0%
1 - 2 years	2	4.0%
2 - 5 years	3	6.0%
Over 5 years	43	88.0%
Total	49	100.0%

Source: (Survey data 2024)

4.2.3 Maintenance of accounting records by small scale businesses

After gathering some preliminary data from both the participants and the company, the designated respondent was prompted with the inquiry: “Do you regularly maintain comprehensive accounting records?” This particular query was strategically designed to assign a classification to the various respondents based on their accounting practices. Among the sampling size of 49 individuals, a noteworthy 71% responded in the affirmative, signifying their commitment to maintaining meticulous accounting records in line with their interpretation of financial information.

The realm of accounting data encompasses two primary formats: account books and financial statements. Account books consist of essential documents such as the sales ledger, purchase ledger, cash book, and general ledger. These books serve as a foundational tool in financial record-keeping, providing a detailed chronicle of transactions over time. Meanwhile, financial statements play a crucial role in summarizing a company's financial performance. Key reports like the balance sheet, profit and loss account, and cash flow statement offer a comprehensive snapshot of the business's financial health and operational efficiency.

Examining the responses further, it becomes evident that respondents employ diverse record-keeping methodologies. This diversity underscores the complexity of managing accounting data in various organizational settings. Therefore, a deeper exploration into the respondents' comprehension of accounting data is essential to grasp the underlying factors influencing their record keeping practices.

Nevertheless, not all participants demonstrated a commitment to maintaining comprehensive accounting records. The remaining 14 individuals, constituting 29% of the total sample, answered in the negative. These respondents indicated a lack of adherence to prescribed guidelines for organizing their records, thus rendering them unsuitable for categorization within the realm of meticulous accounting practices.

In essence, the survey outcomes reveal a spectrum of approaches towards record-keeping within the context of accounting. While a majority showcase a dedication to meticulous documentation, a significant minority deviate from established norms, highlighting the importance of understanding individual perspectives and practices in managing financial information effectively.

Table 3: Maintenance of accounting information by small scale businesses

Response	Frequency	Percent
Yes	35	71.0%
No	14	29.0%
Total	49	100.0%

Source: (Survey data 2024)

4.2.4 Nature of accounting books maintained in small scale businesses

Based on the comprehensive analysis of the data provided in Table 3, a key observation surfaced, indicating that a mere minority, specifically a total of 35 respondents, were actively engaged in maintaining accounting records within the studied group. Impressively, upon further examination, it was discerned that a significant majority, amounting to around 57% of this cohort, displayed a considerable commitment to accurately upholding a petty

cashbook as the primary mode of accounting documentation. This intriguing discovery not only highlights the prevailing trend in the methods employed by the majority of participants but also underscores their strong inclination towards managing financial transactions on a cash priority basis.

Furthermore, a detailed study of the information outlined in Table 4 served to shed light on the distribution of other varieties of accounting records among the involved individuals. These distinct records, characterized by varying levels of prevalence, provide valuable insights into the diverse strategies and approaches adopted by the respondents when it comes to structuring and monitoring their financial transactions. A closer analysis of the specifics laid out in the subsequent table contributes significantly to a deeper comprehension of the accounting practices endorsed within the surveyed populace.

Therefore, the comprehensive examination of both Table 3 and Table 4 collectively accentuates the shaded complexities at play concerning the maintenance and management of accounting records by the respondents. The detailed revelations summarized by these figures compellingly underscore the paramount importance of exploring different accounting methodologies and their consequential impacts on financial operations. This thorough exploration brings to the forefront a richer, multifaceted understanding of how individual business choose to organize and oversee their financial affairs, thus enriching the scope of knowledge around prevalent accounting practices in the observed cohort.

Table 4: Nature of accounting books maintained in small scale businesses

Accounting books Maintained	Frequency	Percent
Cashbook	6	17.0%
Petty cashbook	20	57.0%
Sales Journal	2	6.0%
Purchase Journal	3	9.0%
General Journal	4	11.1%
Total	35	100.0%

Source: (Survey data 2024)

In the context of small business operations, a substantial portion, amounting to 60% of the survey respondents, expressed their inclination towards entrusting the maintenance of accounting records to proficient external entities, in a practice commonly termed outsourcing. Concurrently, a smaller faction, representing 26% of the participants under scrutiny, shared insights regarding the internal delegation of accounting record management duties to employees possessing specialized accounting knowledge. Additionally, a modest segment, making up 14% of the feedback received, shed light on the scenario where the crucial responsibility for overseeing accounting records was shouldered by the owner-manager themselves.

The distribution of practices outlined above carries significant implications concerning the expected levels of accuracy and reliability associated with accounting records within the context of small businesses. Arguably, it is postulated that these records are poised to exhibit a commendable degree of precision and trustworthiness, attributes essential for generating accounting information pivotal to steering decision making processes. This conjecture gains

further credence from the fact that a majority of accounting functions within these business setups are administered by competent professionals, whether sourced internally from the workforce or externally through designated service providers.

Noteworthy is the potential impact of well-maintained accounting information on enhancing the decision making competence of small business proprietors. Central to this notion is the implicit opinion vested in the competency and expertise of the individuals overseeing accounting operations in these small businesses. Whether it comes from the specialized skills of outsourced accounting firms or the in-house expertise of staff members knowledgeable in accounting principles, the primary objective remains consistent: facilitating the creation of dependable accounting data crucial for making well informed strategic business decisions.

Furthermore, the strategic confidence placed on proficient personnel for fulfilling accounting duties highlights the paramount importance that small businesses attribute to ensuring financial accuracy and integrity. Through the delegation of these responsibilities to qualified individuals, whether they be external consultants renowned for their accounting expertise or internal team members possessing requisite expertise, these enterprises underscore their steadfast commitment to upholding the standards of financial reporting and management. In doing so, they contribute substantially towards fortifying the stability and sustainability of their operational endeavors.

Hence, it stands to reason that the caliber and proficiency of accounting data in the small business environments have a substantial impact on the ability and utility of resultant accounting information. Whether achieved through collaborative efforts with distinguished external entities specializing in accounting services or via the nurturing of internal talent

harboring the necessary skill sets, the persistent focus on fostering accuracy and dependability underscores the pivotal role that accounting plays in facilitating sound decision making processes indispensable for fostering enduring business prosperity and growth.

4.2.5 Financial Reports prepared by small scale business

In Table 5 below, which contains valuable accounting information sourced from meticulously maintained accounting records, it is revealed that a substantial 71% of respondents diligently compile and present periodical financial statements. These statements include crucial aspects such as profit and loss statements, balance sheets, cash in and outflow statements, the Annual operating budget, revenue figures, inventory reconciliation, bank reconciliation records, actual versus budget variance analysis, and detailed payroll information. The frequency at which this accounting information is prepared varies from weekly updates to annual summaries.

This comprehensive overview effectively showcases how small businesses are adept at generating and managing essential accounting data in a timely and efficient manner. This timely preparation of financial information not only allows businesses to track their performance but also provides a solid foundation for informed decision-making processes. By diligently preparing and presenting such a wide array of financial data, small enterprises can leverage this information strategically to enhance their operational efficiency, monitor financial health, identify areas for improvement, and ultimately drive profitable growth.

Furthermore, the consistent generation of detailed accounting records underscores a commitment to financial transparency and accountability within these organizations. By

regularly compiling and analyzing vital financial metrics such as profit margins, cash flows, budget variances, and payroll figures, small businesses demonstrate a dedication to maintaining a clear understanding of their financial standing. This proactive approach to financial data management sets the stage for informed strategic planning, accurate budgeting, and effective resource allocation within the organization.

Ultimately, the meticulous preparation and utilization of accounting data by small scale businesses stand as a testament to their commitment to financial excellence and operational success. By harnessing the power of timely and accurate financial data, these enterprises can navigate challenges, seize opportunities, and chart a course for sustainable growth and prosperity. The incorporation of comprehensive accounting practices not only strengthens the financial foundation of these businesses but also positions them for long-term viability and success in an increasingly competitive marketplace.

As businesses navigate the ever-evolving economic landscape, the importance of sound financial practices becomes increasingly evident. Small enterprises, in particular, have shown remarkable resilience in their ability to adapt to changing financial environments while maintaining a steadfast commitment to best accounting practices. This dedication to financial stewardship not only fosters trust among stakeholders but also underlines the fundamental role that accounting plays in driving organizational success.

In analyzing the data presented in Table 5, one can observe the meticulous attention to detail that small businesses dedicate to their financial documentation. From meticulously tracking revenue streams to conducting thorough payroll analyses, these organizations leave no stone unturned in their pursuit of financial accuracy and transparency. Such rigorous attention to

financial detail not only instills confidence internally but also enhances the credibility of these businesses in the eyes of external parties, such as investors, regulators, and potential partners.

Moreover, the strategic utilization of accounting information goes beyond mere record keeping; it serves as a compass guiding small businesses toward their financial goals. By leveraging the insights gained from detailed financial analyses, these enterprises can make informed strategic decisions, identify opportunities for growth, and confidently navigate challenges that may arise. This proactive approach to financial management not only strengthens the core operations of these businesses but also positions them for sustained success in a competitive business landscape.

In essence, the holistic view of accounting practices presented in Table 5 underscores the integral role that financial data plays in shaping the trajectory of small businesses. From enhancing operational efficiencies to fostering a culture of financial transparency, the meticulous preparation and utilization of accounting information exemplify the dedication of these organizations to sustainable growth and long term success. By upholding the principles of financial excellence and operational diligence, small businesses exemplify resilience, adaptability, and a steadfast commitment to driving profitability while maintaining a strong foundation for future expansion and prosperity.

Table 5: Financial reports prepared by small scale business

Response	Frequency	Percent
Yes	35	71.0%
No	14	29.0%
Total	49	100.0%

Source: (Survey data 2024)

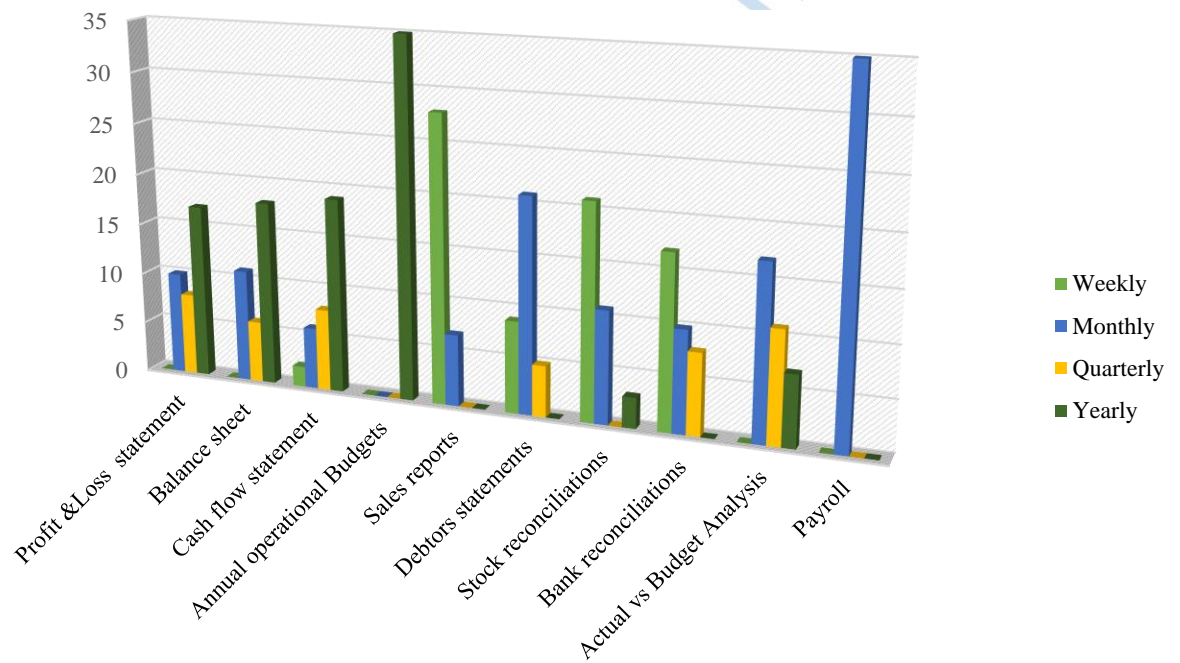


Figure 2: Financial reports prepared by small scale business

Source: (Survey data 2024)

The analysis conducted on the data presented in Figure 2 emphasizes the wealth of insights that can be derived regarding the accounting practices embraced by small businesses in Juba Payam. It elucidates the essential role that various types of accounting information play and the regularity with which such data is meticulously compiled by these enterprises. The

Careful examination of Table 6 provides a detailed categorization of financial statements according to their specific objectives, thereby offering a lucid understanding of their purpose. Financial reporting emerges as a crucial instrument in fostering strategic decision making within businesses, aimed at fostering growth, closely monitored by streamlining operational efficiencies and enforcing stringent controls. Not only limited to these core functions, financial statements also exhibit a remarkable adaptability in serving a diverse array of business needs, underscoring the versatility of accounting information in meeting multifaceted demands.

A deeper exploration of the data reveals an interesting trend, with only 29% of the surveyed participants focusing primarily on generating accounting information to drive business growth through well informed decision making. Contrastingly, a significant portion of respondents prioritizes the utilization of accounting data for the continuous monitoring and enhancement of day to day business workflows. This inclination is further reinforced by the revealed insights from Table 7, where 23% of participants explicitly express their alignment of accounting information with strategic decision making processes to steer their businesses towards success.

Overall, these empirical findings vividly illustrate the symbiotic relationship between accounting information and effective business management practices in the context of small businesses operating in Juba Payam. They shed a revealing light on the ever evolving landscape of financial decision making and strategic planning within these enterprises, highlighting the intrinsic significance of accurate and timely accounting information.

Table 6: Financial reports prepared are categorized by objectives

Objectives	Frequency	Percent
Business growth decision making	10	29.0%
Business operations and control	19	54.0%
other purposes	6	17.0%
Total	35	100.0%

Source: (Survey data 2024)

4.2.6 Accounting data Uses by Small scale businesses

The analysis presented in Table 7 and graphically represented in Figure 3, which can be found below for further reference, sheds light on a significant observation regarding the utilization patterns of accounting information among surveyed individuals. The data meticulously reveals that a comparatively modest proportion of 23% of the surveyed participants actively engage with accounting data to directly inform their strategic business decisions. An intriguing aspect arises when examining the primary usage pattern, where a noteworthy majority of 60% of respondents primarily leverage accounting information to deftly navigate the intricate web of legal obligations and compliance requirements. This operational reliance on accounting information manifests in the conscientious execution of critical duties, notable examples being the precise calculations and punctual submissions of value added tax payments and a spectrum of other taxes on a recurring monthly basis.

Further delving into the analysis suggests an additional layer of insight into the diverse applications of accounting information among respondents. Notably, a distinct subset of 23% of participants customarily deploy accounting data with a dedicated focus on

facilitating various commercial initiatives. This proactive engagement with financial data stands out through activities geared towards streamlining procedures like the seamless renewal of crucial banking facilities and strategically engaging in competitive tendering processes. This segmentation of purposes underscores the multifaceted nature of accounting information within the sphere of decision making and operational management, illustrating the pivotal connections between regulatory adherence, financial planning strategies, and active participation in business growth opportunities. The intricate interplay between these dimensions emphasizes the intricate role that accounting information holds in steering organizational trajectories towards sustainable success and continued growth.



Table 7: Accounting Data Uses by Small Scale Businesses

Accounting data Uses	Categories	Frequency	Percent
File VAT Returns	Statutory Obligation	21	60.0%
Submit your year end tax returns.	Including VAT & Other		
To fulfill additional legal requirements	Taxes		
Renew credit card overdrafts and other bank accounts.	Renewing banking facilities & Tendering	6	17.0%
For job tendering	Purposes		
To supply the data required for commercial decision making	Business Decision Making	8	23.0%
To ascertain the period's business performance			
Total		35	100.0%

Source: (Survey data 2024)

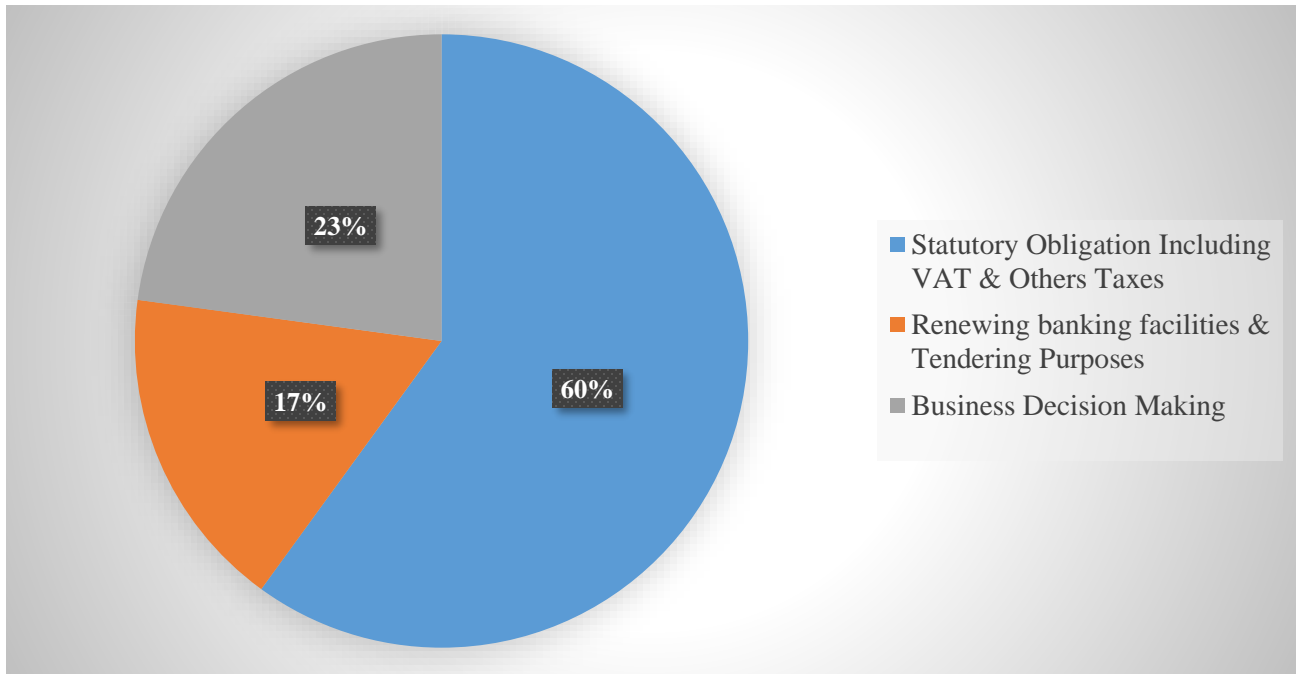


Figure 3: Accounting data Uses by Small Scale businesses

Source: (Survey data 2024)

The perception that only a minority of small scale businesses use accounting data, produced from reasonably accurate accounting information, in decision making, is consistent with previous results that many decisions of small scale business is made instinctively and is limited to an organized, fact-based decision making process and figures. Dyer and Ross (2018).

4.2.7. Yardsticks of small business growth

As depicted in Figure 4, which is visibly presented below for reference, a substantial majority comprising 51% of the participants who participated in the survey distinctly prioritize profits as the paramount parameter when assessing business growth. Intriguingly, there is a marked inclination among these participants to undervalue the importance of expanding their workforce as a key indicator in this evaluation process. This observation

seamlessly aligns with the discernment derived from the enlightening findings illustrated in Table 6 above, shedding light on the fact that the financial data gathered for strategic decision making predominantly revolves around crucial metrics associated with both turnover and profitability within the realm of business operations. Therefore, based on the perspective of the respondents engaged in the aforementioned research study, it can be reasonably inferred that strategic decisions and actions geared towards optimizing turnover figures hold a significantly higher probability of yielding concrete and sustainable growth outcomes for the scrutinized business entities. This consensus among the respondents further underscores the deeply ingrained belief in the pivotal role played by financial performance indicators, specifically profits, in shaping the trajectory of a company's growth potential and strategic decision making endeavors. The invaluable data insights derived from the comprehensive analysis of both Figure 4 and Table 6 effectively serve to illuminate a prevailing business mindset that underscores the central significance of adeptly managing financial metrics as a foundation for effectively navigating the multifaceted intricacies of contemporary market dynamics. Ultimately, this adept management fosters a path towards steering businesses towards enduring success and sustainability over the long term, thereby solidifying their position in a competitive business landscape.

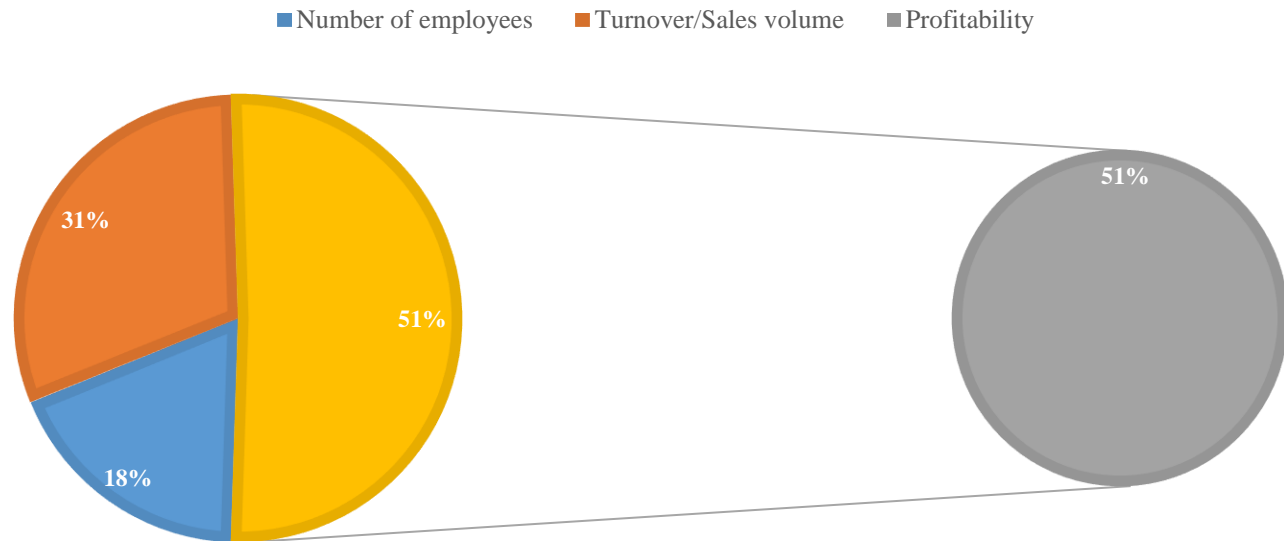


Figure 4: Yardsticks of small business growth

Source: (Survey data 2024)

As illustrated in the visual representation provided in Figure 4 above, it becomes evident that a substantial majority, surpassing the 51% mark, of the participants who responded to the survey indicated experiencing notable profitability growth in their businesses. The progression in profits was closely followed by advancements in turnover and, in turn, an increase in the workforce size. It is important to note that these observations are particularly notable within the context of businesses with a tenure of five years or less, emphasizing the early stages of entrepreneurial endeavors.

While acknowledging these positive trends in business growth, it is essential to approach the underlying causes with a critical lens. The noted growth outcomes cannot be simplistically attributed solely to the utilization of accounting information within small business operations. However, a noteworthy finding emerges when analyzing the subset of

respondents, approximately 29%, who actively engage in preparing and leveraging accounting insights to inform their strategic decision making processes. This group, albeit representing a minority, presents a compelling case for how the integration of accounting practices can potentially act as a catalyst for business expansion.

In parallel, it is revealing to delve into the perspectives shared by approximately 37% of the surveyed individuals who fall within the category of both preparing and utilizing accounting information in their decision-making frameworks. These respondents express a sentiment linking poor business outcomes, including the specter of business failure, to suboptimal strategic choices. The intersection of their experiences underscores the complex interplay between decision quality, financial acumen, and overall business performance.

The insights gleaned from this survey data echo broader themes present in existing literature and empirical studies on business sustainability and growth. A recurring narrative emphasizes the pivotal role that informed decision-making plays in underpinning the longevity and success trajectory of ventures. By aligning decisions with relevant accounting data and leveraging this information effectively, businesses set themselves on a trajectory conducive to not just survival but meaningful expansion and development. This correlation between prudent decision making, supported by robust financial insights, and the overarching narrative of business evolution resonates with the overarching thesis that strategic acumen and financial stewardship serve as cornerstones for enduring business success.

4.2.8 Factors for Poor Business Growth

According to the results of recent research findings, a considerable percentage of respondents, precisely 37%, hold the belief that the primary reason behind business failures can be traced back to making ineffective business decisions. This statistic sheds light on a critical aspect of business management, emphasizing the pivotal role that decision-making plays in the success or failure of a business entity.

Moreover, the preceding sections of the study highlighted a rather intriguing fact a meager 29% of the respondents reported actively engaging in preparing and utilizing accounting information to aid in strategic business decisions aimed at growth and development. This revelation underscores the underutilization of financial data, which can serve as a crucial tool in steering businesses towards prosperity and sustainable growth.

Building on this insight, the research further uncovered that a noteworthy 37% of the surveyed individuals acknowledged leveraging accounting information as a guiding principle in their decision making processes. This shift towards recognizing the significance of financial data in shaping business strategies marks a positive development in enhancing overall decision quality and performance outcomes.

The correlation between these findings becomes evident as the data reveals a direct parallelism - the same 37% segment of respondents attributing business failures to poor decision making aligns with the proportion of individuals who actively integrate accounting information into their decision making frameworks. This similarity underscores a systemic pattern wherein the effective use of accounting data correlates with better decision outcomes,

thereby influencing the overall success or failure of businesses across diverse industries and sectors.

In essence, the research underscores a critical nexus between the adoption of accounting information for decision making purposes and the outcomes reflected in business performance, thereby highlighting the indispensable role of informed decision making in mitigating risks and fostering sustainable growth in today's dynamic business landscape.

Table 8: Factors for Poor Business Growth

Factors for poor business growth	Frequency	Percent
Diminishing market share	11	22.0%
Poor cash flow	13	27.0%
Poor business decisions	18	37.0%
Non use of operational budgets resulting in poor business control	7	14.0%
Total	35	100.0%

Source: (Survey data 2024)

CHAPTER FIVE

SUMMARY, CONCLUSIONS AND RECOMMENDATIONS

5.0 Introduction

This chapter includes a summary and conclusion of the study based on the research results detailed in chapter four. It also makes recommendations based on research results. The recommendations may lead to appropriate interventions aimed at improving or overcoming identified weaknesses in the preparation and use of accounting information in Small and medium-sized enterprises (SMEs). Additionally, the findings and recommendations of this study suggest areas for further research.

5.1 Summary of the Findings

5.1.1 Maintenance of accounting records by the small businesses

In the quest to explore the maintenance of accounting practices on the operational efficiency of small enterprises specifically situated within the geographical confines of Juba Payam, the research meticulously articulated its primary objective. This study placed a distinct focus on dissecting how the maintenances of traditional accounting methods impacts the overall performance indicators of small businesses operating within the delimited boundaries of Juba Payam. The visible results derived from this comprehensive research undeniably demonstrate a strong correlation between the precision exercised in generating corporate accounting data and the subsequent compilation of financial statements among small business establishments. This correlation is notably influenced by various factors, such as the unique nature of the business operations and its longevity within the industry, among others.

Remarkably, among the plethora of sampled businesses that have successfully surpassed their initial five year milestone in the sector, an impressive 71% have consistently adhered to the practice of maintaining detailed accounting records. These businesses have showcased diligence in preparing comprehensive financial statements and periodic reports, of which a summarized depiction is meticulously presented in Table 3. Noteworthy to mention is the predominant structure of these specific businesses as limited liability entities, operating under the regulatory framework delineated by the South Sudan Companies Act of 2012.

Furthermore, the findings expound on the notable fact that approximately 60% of the accounting data within these small enterprises is meticulously crafted by qualified and proficient professionals, either from the internal workforce or externally sourced resources. This considerable percentage serves as a hallmark of the accuracy and reliability entwined within the prepared financial data. Such a robust foundation underscores the pivotal role of this information in facilitating strategic decision-making processes within these small enterprises. It is therefore paramount to recognize the prevalent notion that only a minor segment of small businesses effectively harness the accounting information derived from diligently kept records for informed decision making, as substantiated by the existing research. This echoes the widely held belief that numerous decisions in the small business realm tend to be guided primarily by intuitive judgment calls, often restricted by the absence of a systematic reliance on empirical data or verifiable figures to steer the decision-making paradigm.

This alignment with earlier research insights, as exemplified by the scholarly contributions of Dyer and Ross (2018), underscores the critical necessity for small enterprises to

recalibrate their decision making frameworks towards a more data driven and evidence based approach. Such strategic shifts are imperative to enhance operational efficiency and fortify strategic resilience amidst the ever-evolving landscape of today's business environment, necessitating a paradigm shift towards a culture that embraces data-driven decision making methodologies to thrive and adapt effectively in the dynamic business environment of the present era.

5.1.2 Nature of accounting books maintained in small businesses

The second objective of the study was meticulously crafted to delve into the intricacies of the various types of accounting records meticulously upheld by small businesses in the bustling Juba Payam locale. With a primary goal of obtaining a holistic and in-depth comprehension of the distinctive accounting records meticulously kept by these burgeoning enterprises, the study unearthed a staggering revelation: a commendable 71% of small businesses meticulously maintained their financial integrity by diligently crafting detailed financial statements and other indispensable reports. This unwavering commitment to precise record-keeping manifested in the widespread utilization of an array of accounting books, with the bulk of respondents affirming a particular focus on meticulously maintaining petty cash books, cash books, and general ledgers at respective rates of 57%, 17%, and 11% individually, as meticulously outlined in the comprehensive data presented in Table 4.

Upon embarking on a deeper investigation into the meticulous data artfully illustrated in Table 6, a profound realization materialized that 29% of the meticulously compiled accounting information derived from these meticulously kept records played an instrumental role in steering strategic decision making processes geared towards amplifying business

growth endeavors. This invaluable pool of information encompassed pivotal insights like profit and loss reports, sales analyses, and meticulous evaluations contrasting real time performance with budgetary projections. Moreover, an overwhelming majority, constituting 54% of the meticulously gathered accounting data, was astutely honed towards streamlining operational functionalities and nurturing enhanced control structures. This all-encompassing reservoir of operational data encompassed indispensable indicators such as real-time cash flow status updates, accounts receivable specifications, dynamic inventory insights, and meticulous bank reconciliations, all meticulously calibrated to ensure optimal operational efficiency.

Of equal significance was the stark observation that within the realm of small businesses, the prevailing emphasis on meticulously detailing petty cash transactions and rigorously conducting cash reconciliations underscored a resolute commitment to imposing stringent financial control measures. This deeply embedded culture of financial conscientiousness resolutely affirmed that judicious business supervisory practices were inherently intertwined with the vigilant management of financial assets, serving as the quintessential foundation for effectual operational supervision and astute strategic decision making processes permeating the modus operandi of these innovative businesses on a day to day basis.

5.1.3 Accounting data Uses by Small Scale Businesses

The study's third objective, which sought to explore the primary utilization of accounting information in the context of small businesses, revealed fascinating insights through the analysis of Table 7. Specifically, it was unveiled that only a modest 23% of these enterprises leverage accounting data for crucial decision making processes. In striking contrast, a

notable 60% of these small businesses rely on this financial information to successfully navigate the intricate landscape of statutory obligations, especially concerning the punctual completion of monthly value-added tax (VAT) reporting and other responsibilities mandated by tax laws such as the VAT and Income Tax Act.

Moreover, an additional 17% of these small businesses have recognized the valuable role of accounting insights in addressing diverse external demands, ranging from securing necessary bank overdraft extensions to effectively participating in competitive tender bidding processes. These findings shed light on the multifaceted ways in which accounting data can be harnessed to enhance operational efficiency and strategic decision-making within small business environments, ultimately contributing to sustainable growth and success.

Furthermore, when participants were asked to identify factors they believed contributed to business failures, a significant 37% highlighted poor business decisions as a prominent cause. This sizeable percentage underscores the participants' acute awareness of the detrimental impact that flawed decision-making processes can have on a business's overall performance and growth trajectory, as graphically illustrated in Table 8.

This keen insight showcases the participants' acute understanding of the diverse array of challenges that constantly confront small businesses within the rapidly evolving market landscape of today. It not only highlights their deep awareness of these obstacles but also underscores the vital significance of making well informed and strategic decisions in effectively traversing the intricate paths of entrepreneurship. The recognition of the critical nature of implementing sound decision making processes enables small businesses to

proactively position themselves for continual success and sustainable growth in the increasingly competitive business environment of the modern era. By acknowledging the essential role that decision-making prowess plays in shaping the trajectory of small businesses, entrepreneurs can equip themselves with the tools and foresight necessary to thrive amidst the ever changing dynamics of the market. Prioritizing informed and strategic decision making as a core element of their operational strategy empowers small businesses to adapt, innovate, and capitalize on emerging opportunities while navigating the complexities and uncertainties inherent in the entrepreneurial journey. Ultimately, the ability to make sound decisions with clarity and foresight serves as a linchpin for small businesses aiming to establish a resilient foundation for long term viability and enduring success in today's dynamic and challenging business landscape.

5.2 Conclusions

The significant frequency of petty cash books found among the accounting journals maintained by small scale businesses offers valuable insight into the pivotal role that effective management of cash flow plays in ensuring the smooth operation of small enterprises. It is clear that owner-managers place great importance on regularly scrutinizing financial reports, including monthly sales reports, accounts receivable reports, and bank reconciliations as depicted in Figure 2, due to their direct impact on liquidity. Detailed in Figure 4 is the profound influence of cash generation on turnover, a vital indicator of business growth. Despite this correlation, it is crucial to acknowledge that even with escalating turnover, businesses can still encounter financial setbacks, underscoring the imperative need for vigilant oversight of cash flow in the realm of small enterprises.

The consistent vigilance and control exhibited by management underline the substantial focus directed towards cash flow management within this specific sector. As clearly illustrated in Figure 3, a considerable 60% of businesses predominantly utilize accounting information to meet their legal obligations and other necessary functions, while only 23% leverage this data for strategic decision making. This inclination can be attributed to the various legal requirements imposed on incorporated businesses through statutes such as the Companies Act, VAT Act, and Income Tax Act. Noteworthy is the fact that most business failures often trace back to poor decision-making practices despite the potential of accounting information to enhance decision making processes, especially in areas concerning liquidity controls.

The results of this research validate that small businesses generally uphold precise accounting information and meticulously prepare accounting data. However, the primary emphasis of employing this information lies in ensuring legal compliance, followed closely by the crucial aspect of monitoring and controlling liquidity. The influence of this data in guiding strategic business decisions remains capped, reflecting the prevalent norm within the landscape of small scale businesses. Ultimately, the effective integration of accounting information into decision making processes encounters hurdles due to the overarching obligation to adhere to legal mandates and implement stringent liquidity related controls.

5.3 Recommendations for Further studies

Given the prevailing belief among survey participants attributing business failure to subpar decision making skills, it becomes imperative to delve deeper into the underlying reasons why small business entities predominantly rely on accounting data primarily for statutory

compliance rather than as a tool for informed decision making. This adherence to legal requirements stands in stark contrast to the notable benefits that strategic decision-making can offer in fostering business expansion and success. In essence, the shift towards utilizing accounting data as a strategic tool rather than just for compliance purposes may pave the way for small businesses to navigate challenges effectively and seize growth opportunities in the dynamic market landscape.

To foster a more conducive business environment within the nation, it is of utmost importance to engage in comprehensive consultations with all relevant stakeholders. By soliciting input and insights from diverse groups including entrepreneurs, industry experts, and policymakers, a well-crafted and mutually agreeable policy framework can be formulated. This collaborative approach not only ensures inclusivity but also enhances the effectiveness and sustainability of policies aimed at propelling the country's growth and bolstering the overall progress and high spirits of small enterprises.

The government's role in meticulously reassessing the current policies targeted towards small businesses is crucial to ensure their alignment with the unique characteristics and trajectory of small-scale enterprises across South Sudan. Policymakers need to conduct thorough evaluations and solicit feedback from small business owners to address any existing gaps and challenges hindering their growth. This proactive stance can lead to the implementation of targeted policies that cater to the specific needs of small businesses, thus fostering a conducive environment for their success and resilience in the face of evolving market conditions.

Furthermore, policymakers and relevant stakeholders should actively advocate for the modernization of small business assets to enhance their competitiveness and efficiency. This can be achieved through initiatives aimed at improving the accessibility of production machinery, spare parts, and technical services at preferential rates to small businesses. By investing in upgrading their operational capabilities, small enterprises can boost productivity levels, streamline processes, and enhance their overall competitiveness in the market.

Facilitating small businesses' access to markets with minimized transaction costs is vital for bolstering operational efficiency, driving sales growth, and fostering knowledge exchange and collaboration within the business community. Networking platforms and initiatives that facilitate connections between small businesses and potential customers or partners can play a significant role in expanding market reach and unlocking growth opportunities. Additionally, initiatives aimed at reducing barriers to market entry and streamlining transaction processes can further enhance the operational efficiency of small businesses, enabling them to focus on business development and innovation.

The involvement of both state and local authorities in the planning, construction, and maintenance of essential infrastructure is essential to reinforce the business landscape and support small business development. Investments in infrastructure such as roads, utilities, and communication networks not only benefit small businesses by improving connectivity and accessibility but also contribute to overall economic development and sustainability. A robust infrastructure framework enhances the efficiency of business operations, reduces logistics costs, and enables small businesses to reach new markets and customers more effectively.

Addressing the pervasive issue of corruption in various spheres of South Sudan's business climate is paramount to creating a level playing field for small businesses to thrive. The adoption of robust anti-corruption measures, including stringent governance frameworks overseeing public security, infrastructure projects, and financial transparency, supported by effective law enforcement actions and strict legislation, is crucial. Citizens and businesses alike must have confidence in the integrity and transparency of government institutions to foster an environment of trust and accountability. By implementing measures to mitigate corruption risks and ensure fair competition, policymakers can create an environment conducive to small business success and sustainable economic growth.

In conclusion, the successful path of small businesses hinges on the establishment of a stable and nurturing ecosystem where corruption is eradicated, and the government serves as a reliable partner in fostering growth and innovation within the small business sector. Through collaborative efforts, targeted policies, and a commitment to transparency and integrity, small businesses in South Sudan can overcome challenges, seize opportunities, and contribute significantly to the nation's economic prosperity and development.

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APPENDIX

APPENDIX I: CONSENT FORM FOR PARTICIPATION IN RESEARCH

Dear Participant,

Please consider helping out with a study I'm doing entitled "Influence of Accounting Information on the Performance of Small-Scale Business in South Sudan. I am a student at Mount Kenya University working on my Master of Business Administration degree and am now writing my Master's project. The purpose of this data collection has been clarified to be exclusively for academic purposes.

Your participation in this research is completely optional. You may disregard the survey if you don't want to take part in it. No dangers beyond those of regular life are associated with taking part. All information you provide will be kept strictly secret. Data collected during this research will be kept private and only shared in summary form. The information you give in this survey will be treated with the strictest confidence. You will not get anything by taking part in this study. Nonetheless, you may find it fascinating to discuss the research's findings, which might be useful for the field as a whole and for prospective customers or those who have faced similar challenges.

If you're willing to take part in this research, I would appreciate it if you could answer the following questions as thoroughly as possible. It should take you around half an hour to finish. In order to finish the project report, I need the questionnaire as soon as possible. Feel free to call David Anzo Alfred at +211920818105 or email: anzobawa2019@gmail.com with any inquiries you may have concerning this initiative. The Mount Kenya University Ethical Review Committee Chair may be reached at P.O. Box 342-01000, Thika if you have any concerns regarding your participation in this research. I appreciate your assistance with this research project.

CONSENT

I've had a chance to read everything and ask any questions I had before signing up. I acknowledge that my involvement is voluntary and that I may terminate my engagement at any time, for any reason, and without penalty. I acknowledge that a copy of this permission form will be sent to me. I consent to taking part in this study of my own free will.

Participants' signature _____ Date _____

Researcher's signature _____ Date _____

APPENDIX II: RESEARCH QUESTIONNAIRE

Please respond to this questionnaire as briefly as possible by checking the box next to the answer you choose or by filling in the available blanks. The term "BUSINESS" in this questionnaire refers to any type of business organization, including limited companies, partnerships, sole proprietorships, and other similar structures.

1. Your association to the company:

- a) Owner-Manager b) Director c) Other Staff Member

2. Nature of businesses:

- A) Limited Company; B) Sole Proprietorship; C) Partnership; D) Other (indicate)

3. What is the main firms' activity?

.....
.....

4. To what extend has the business been in existence since the start of operations?

- a. 0 - 1 year
- b. 1 - 2 years
- c. 2 - 5 years
- d. Over 5 years



5. Describe what factor you consider that made your business to continue operating.

.....

6. Does the business keep books of its transactions?

Indicate (Yes or No).....

7. If your answer to 6 above is Yes, Please show by marking against each item the books kept by the business.

- a) Cashbook
- b) Petty cashbook
- c) Sales Journal
- d) Purchase Journal
- e) General Journal

f. Any other-----

8. Who keeps the accounts for the business?

- a) Qualifications Employee with accounting skills
- b) Outsourced Accountant
- c) Business Owner
- d) Firm of certified public accountants

9. Column (2) below, show by Yes or No, whether or not the business formulates the financial report shown in column (1). If Yes, Designate the timing of preparing the report by marking (√) under columns (3-6).

Financial Report (1)	Does the business prepare the report? Yes or No (2)	Weekly (3)	Monthly (4)	Every three months (5)	Once a Year (6)
Income / Profit & Loss statement					
Financial Position / Balance sheet					
Cash in and Out flow statement					
Annual operational Budgets					
Sales reports					
Debtors statements					
Stock reconciliations					
Bank reconciliations					
Actual vs Budget Analysis					
Payroll					

10. If Items you have marked (YES) in question 9 above, please explain how you use each of them in running the business.

Financial Report	Uses of the report

11. Position the following causes for the formulation of Financial Reports in direction of importance on a scale of 1-5 (1- not important, 2- least important, 3- neutral, 4- important, 5- most important)

Causes for Preparation of Financial Reports	1	2	3	4	5
File VAT Returns					
Submit your year end tax returns.					
Renew credit card overdrafts and other bank accounts.					
For the purpose of job tendering					
To supply the data required for commercial decision-making					
To fulfil additional legal requirements					
To ascertain the period's business performance					

12. Specify by placing on a scale of 1 to 3 which of the following causes whose rise/decline you would contemplate most vital in measuring business growth. (Where 1 is the least important and 3 is the most important)

Measures of business growth	1	2	3
Number of employees			
Turnover/Sales volume			

Profitability			
---------------	--	--	--

13. Position the following elements that have been known to be major factors of poor business growth under a scale of 1-3 by the order of your importance. (1 least important and 3 most important)

Factors of poor business growth	1	2	3
Diminishing market share			
Poor cash flow			
Poor business decisions			
Non-use of operational budgets resulting in poor business control			

14. Finish the table below by providing your business data as showed for the last 6 years, or since commencement if less than 6 years.

Business Information	Year	Year	Year	Year	Year	Year
	2017	2018	2019	2020	2021	2022
	SSP "000"	SSP "000"	SSP "000"	SSP "000"	SSP "000"	SSP "000"
Sales						
Net profit before tax						
Total assets						
Total liabilities						
Average no .of employees						

APPENDIX III: GRADUATE SCHOOL LETTER OF INTRODUCTION



DIRECTORATE OF GRADUATE STUDIES

MBA/2020/67811

25th April, 2024

TO WHOM IT MAY CONCERN

Dear Sir/Madam,

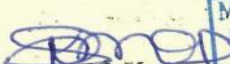
RE: DAVID ANZO ALFRED - REGISTRATION NO. MBA/2020/67811

The purpose of this letter is to introduce the above named student who is pursuing **Master of Business Administration** in the department of **Accounting and Finance** in the school of **Business and Economics**

The title of the research is "**Influence of Accounting Information on the Performance of Small-Scale Business in Juba Payam, South Sudan.**" It has been cleared by the University's Ethics Review Committee (Certificate attached) and now has to proceed to the field to collect data between **May 2024, and July 2024.**

Any assistance accorded to the student will be highly appreciated.

Thank you.


Dr. Samuel M. Karenga, Ph.D.
Director, Graduate Studies

Mount Kenya University
P.O. Box 342 - 01000, THIKA
Office of the Director,
Graduate Studies

Enc.

Main Campus, General Kago Road, P.O. Box 342-01000 Thika.
Cell: +254 709 153 000 / +254 709 153 200
Email: info@mku.ac.ke, Web: www.mku.ac.ke
Chartered and ISO 9001 : 2015 Certified Institution.
Unlocking Infinite Possibilities

APPENDIX IV: ETHICAL REVIEW COMMITTEE APPROVAL



REG: MBA/2020/67811

Dear Sir/Madam,

RE: INFLUENCE OF ACCOUNTING INFORMATION ON THE PERFORMANCE OF SMALL-SCALE BUSINESS IN JUBA PAYAM, SOUTH SUDAN

This is to inform you that **Mount Kenya University** has reviewed and approved your above research proposal. Your application approval number is **2690**. The approval period is **25/04/2024 - 24/04/2025**.

This approval is subject to compliance with the following requirements;

- i. Only approved documents including informed consents, study instruments, MTA will be used
- ii. All changes including amendments, deviations and violations are submitted for review and approval by **Mount Kenya University**
- iii. Death and life threatening problems and serious adverse events or unexpected adverse events whether related or unrelated to the study must be reported to **Mount Kenya University** within 72 hours of notification
- iv. Any changes, anticipated or otherwise that may increase the risks or affect the safety or welfare of study participants and others or affect the integrity of the research must be reported to **Mount Kenya University** within 72 hours
- v. Clearance for export of biological specimens must be obtained from relevant institutions
- vi. Submission of a request for renewal of approval at least 60 days prior to expiry of the approval period. Attach a comprehensive progress report to support the renewal
- vii. Submission of an executive summary report within 90 days upon completion of the study to **Mount Kenya University**

Prior to commencing your study, you will be expected to comply with any additional requirements from the relevant authorities in the country where this study will be conducted

Yours sincerely,

Dr. Alfred Owino, PhD
Chairman, Mount Kenya University ISERC

The Chairman
Mount Kenya University
Ethics Review Committee
P. O. Box 342 - 0100, Thika

APPENDIX V: AUTHORIZATION LETTER



Republic of South Sudan
Central Equatoria State / Juba
JUBA CITY COUNCIL
Juba Block Council
DIRECTOR'S OFFICE



Date: 21st May, 2024

Ref No: -----

To: David Anzo Alfred
C/O Mount Kenya University

Ref: Authorization Letter.

Mr. David

In reference to your introduction letter from Mount Kenya University dated **25/5/2024** requesting for collecting data in Juba Block Council formerly known as Juba Payam.

I hereby inform you that you allowed to carry out the research title **"INFLUENCE OF ACCOUNTING INFORMATION ON THE PERFORMANCE OF SMALL-SCALE BUSINESS IN JUBA PAYAM - SOUTH SUDAN"** within Juba Block Council.

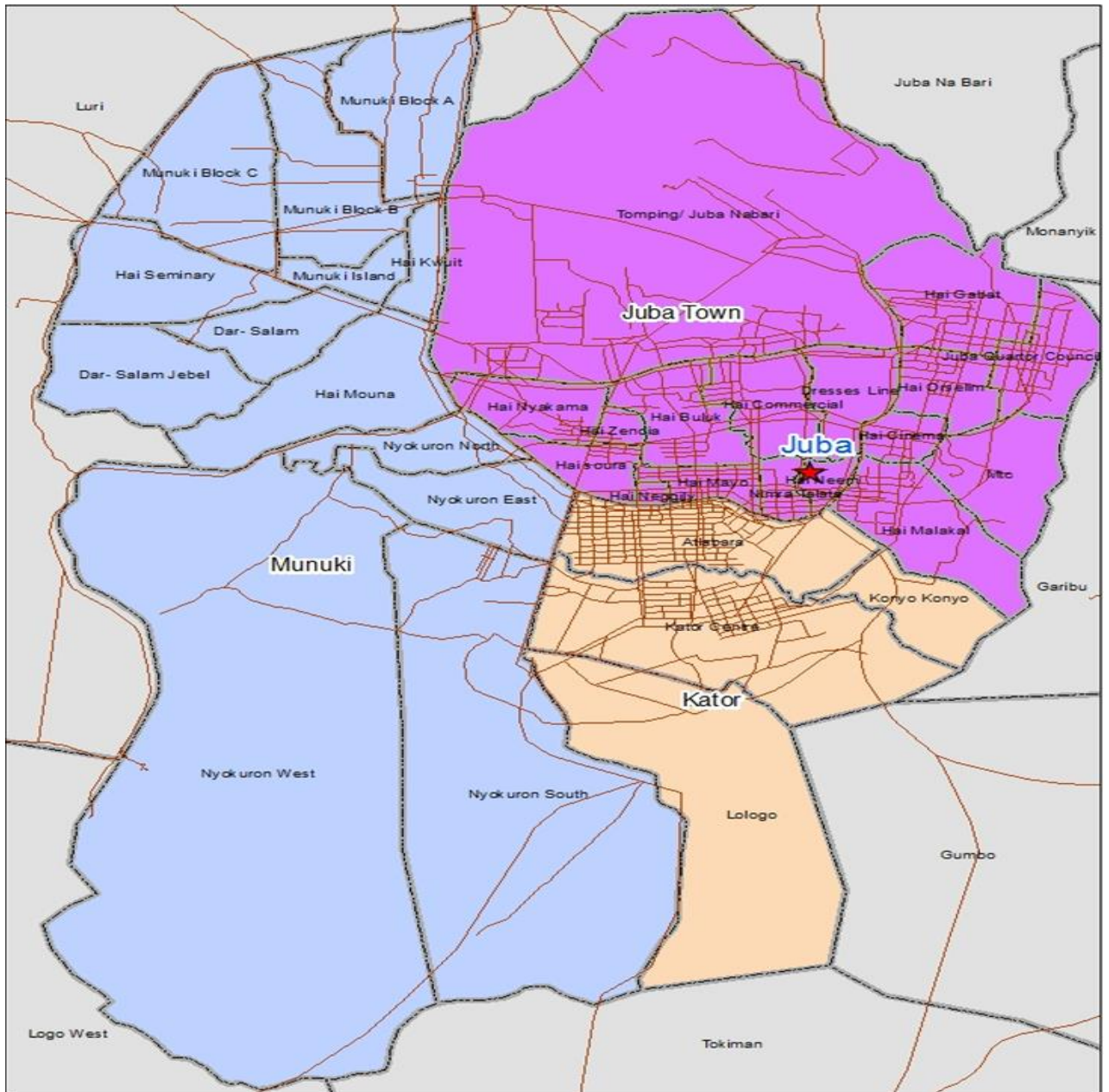
Yours Sincerely,



Director

Juba Block Council
Juba City Council
Central Equatoria State – Juba.

APPENDIX VI: MAP OF JUBA CITY COUNCIL (RESEARCH SITE/JUBA BLOCK)



APPENDIX VII: SIMILARITY REPORT

Influence of Accounting Information on the Performance of Small-Scale Business

by David Anzo Alfred BAWA

Submission date: 06-Jul-2024 01:01PM (UTC+0300)

Submission ID: 2413068798

File name: David_Anzo_Alfred_Bawa_1_.docx (6.09M)

Word count: 20126

Character count: 121388

Influence of Accounting Information on the Performance of Small-Scale Business

ORIGINALITY REPORT



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