Cash Management and Performance of Small Scale Businesses in Mbale Municipality, Uganda

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Abstract

This paper intended to determine the relationship between cash management and profitability in small businesses in Mbale municipality. Mixed methods were employed; survey design was employed with a sample of 167 small businesses determined statistically. Interviews were conducted to support data collected by questionnaires. Results indicate that there is efficient management of cash collection and cash payment in small businesses in Mbale municipality. Results further revealed a significant relationship between cash management and profitability in small businesses. Researchers therefore, concluded that small businesses are efficient in managing cash; efficient cash management is significantly associated with profitability in small businesses. Recommendation, small scale business owners should embrace the use of improved technology to enhance higher levels of efficiency in managing cash. Different methods of cash collection should be used such as; mobile money, direct deposit and fund transfers services.

Key words: Cash management, Cash collection, Cash payment, Profitability