



## **WORKING CAPITAL MANAGEMENT, MANAGEMENT ACCOUNTING PRACTICES AND FINANCIAL PERFORMANCE OF SMES IN UGANDA**

### **ABSTRACT**

The study examined the relationship between working capital management, management accounting practices and financial performance of Small and Medium Enterprises (SMEs) registered with Uganda Manufacturers Association in Uganda. The study used a cross sectional survey design and the population was 750 from which a sample of 256 was drawn. Self-administered questionnaires were used to collect data. According to the Pearson correlation results, positive significant relationships were observed between working capital management, management accounting practices and financial performance. From the findings, working capital management had the highest relationship with financial performance. The study examined the variance in financial performance that is explained by working capital management and management accounting practices. Working capital management and management accounting practices were found to be significant predictors of financial performance with working capital management as the most significant predictor. The study recommends that the owners of enterprises and the managers of the small and medium enterprises should attach a lot of emphasis on working capital management as this would greatly enhance financial performance of the enterprises. This should be supported by well managed accounting practices which will in turn promote the financial performance of the enterprises. Management accounting practices facilitates the decision-making process for management to make critical decisions of the enterpri