**BINDURA UNIVERSITY OF SCIENCE EDUCATION**

**FACULTY OF COMMERCE**

**DEPARTMENT OF ACCOUNTANCY**

****

**AN ANALYSIS ON THE IMPACT OF COST CONTROL TECHNIQUES ON PROFITABILITY: A CASE OF CALUNDIKE EXPORTS PVT LTD**

**BY**

**CHIKONYORA TIMOTHY**

**B203180B**

**A RESEARCH PROJECT SUBMITTED IN PARTIAL FULFILLMENT OF THE REQUIREMENTS FOR A BACHELOR OF ACCOUNTANCY HONOURS DEGREE.**

**BINDURA ZIMBABWE**

**JUNE 2024**

# **RELEASE FORM**

NAME OF AUTHOR : CHIKONYORA TIMOTHY

PROJECT TITLE : AN ANALYSIS ON THE IMPACT OF COST CONTROL TECHNIQUES ON PROFITABILITY: A CASE OF CALUNDIKE EXPORTS PVT LTD

DEGREE TITLE : BACHELOR OF ACCOUNTANCY HONOURS DEGREE.

YEAR OF COMPLETION : 2024

Hereby, the author grants Bindura University of Science Education permission to reproduce single copies of this project for private, scholarly research purposes only. The author does not reserve any other rights of publication for the project or for lengthy extracts from it, in printed or other media, without the express written consent of the author.

Signed……………………….Date…../……/……../…….

Permanent address: 1313 Kambuzuma Section 4 Harare

# **APPROVAL FORM**

The undersigned attests that they have perused and approved for acceptance by Bindura University of Science Education the research project entitled “**AN ANALYSIS ON THE IMPACT OF COST CONTROL TECHNIQUES ON PROFITABILITY: A CASE OF CALUNDIKE EXPORTS PVT LTD**”, submitted in Partial fulfilment of the requirements of Bachelors of Accountancy Honours Degree.

**To be completed by student**

I attest that the preparation standards outlined in the faculty guidelines for dissertations have been met by this work.

Signature of student…………………. Date ………. /…………/……….

**To be completed by the supervisor**

This dissertation is worth for submission to the faculty. The dissertation needs to be reviewed to make sure it complies with faculty requirements.

Signature of supervisor……………………. Date ………/………/…………….

**To be completed by Chairperson of the Department**

To the best of my knowledge, I attest that the protocol has been adhered to and the dissertation preparation requirements have been satisfied.

Signature of Chairperson ………………………. Date ………/……. /………………

**DEDICATION**

This is for me

# 

**ABSTRACT**

The study looked into the impact of cost control techniques on profitability. The study was carried out with Calundike Exports Pvt Ltd in Ruwa as the focus and it covered the period 2020 to 2022. The primary aim of the research was to examine how cost management techniques affect financial performance, particularly profitability. A research design based on case study was used. Using the random sampling technique, a sample of 37 employees was selected. The respondents were chosen using a purposive or judgmental sampling technique. The data was gathered using structured questionnaires. The Cronbach value for each data set varied from 0.6 to 0.8 when the researcher examined the data's validity and reliability. SPSS was employed for data analysis. To determine whether the variables had statistical significance, the researcher employed simple linear regression. The study examined the connection between profitability and budget control. Additionally, the relationship between cost allocation, cost monitoring, and profitability was examined. The study came to the conclusion that there is a positive weak association between cost monitoring and control and profitability and a strong positive relationship between budget control, cost allocation, and profitability. The study recommends that, the organization should create a thorough cost allocation framework to guarantee that expenditures are distributed effectively and efficiently, as well as implement a responsible budgeting system to guarantee that budgets are reasonable, attainable, and in line with business objectives. It was advised to conduct more research on additional cost control variables like inventory management and efficiency enhancements.

**ACKNOWLEDGEMENTS**

I express my gratitude to my supervisor Mr O. Manyani, for his expert supervision in this research. I value all of his time, energy, and resources including study materials and effort. I am really appreciative of my parents and other family members thanks to their steadfast assistance. I also want to thank all of my friends and study partners for their unwavering support in all I do.

Special gratitude goes to all the staff members of Calundike Exports Pvt Ltd who participated in this research study. I am humbled with the support. Finally, I want to express my gratitude to God for his direction during this academic journey and during the research.

# 

**TABLE OF CONTENTS**

Contents

[**RELEASE FORM** ii](#_Toc167183374)

[**APPROVAL FORM** iii](#_Toc167183375)

[**DEDICATION** iv](#_Toc167183376)

[**ABSTRACT** v](#_Toc167183377)

[**ACKNOWLEDGEMENTS** vi](#_Toc167183378)

[**TABLE OF CONTENTS** vii](#_Toc167183379)

[**LIST OF TABLES** xi](#_Toc167183380)

[**LIST OF FIGURES** xii](#_Toc167183381)

[**LIST OF APPENDICES** xiii](#_Toc167183382)

[**CHAPTER I** 1](#_Toc167183383)

[**INTRODUCTION** 1](#_Toc167183384)

[1.0 Introduction 1](#_Toc167183385)

[1.1Background to the study 1](#_Toc167183386)

[1.2 Problem Statement 3](#_Toc167183387)

[1.3 Research Objectives 3](#_Toc167183388)

[1.4 Research Questions 3](#_Toc167183389)

[1.5 Significance of the study 3](#_Toc167183393)

[1.5.1 to the investigator 3](#_Toc167183394)

[1.5.2 to the Organisation 3](#_Toc167183395)

[1.5.3 to the university 4](#_Toc167183396)

[1.6 Assumptions of the study 4](#_Toc167183397)

[1.7 Study boundaries 4](#_Toc167183398)

[1.8 The study's limitations 4](#_Toc167183399)

[1.9 Definition of important terminology 4](#_Toc167183400)

[1.10 Chapter Summary 5](#_Toc167183401)

[**CHAPTER II** 6](#_Toc167183402)

[2.0 Introduction 6](#_Toc167183403)

[2.1 Conceptual framework 6](#_Toc167183404)

[2.2 To look into how Calundike Exports Pvt.'s profitability is affected by budget control. 6](#_Toc167183405)

[2.3 To investigate how manufacturing organizations' profitability is affected by cost allocation. 8](#_Toc167183406)

[2.4 To determine how cost monitoring and control affect profitability 9](#_Toc167183407)

[2.5 Theoretical Review 11](#_Toc167183408)

[2.5.1 Balanced Score Card Model (BSC) 11](#_Toc167183409)

[2.5.2 The theory of Kaizen Costing 12](#_Toc167183410)

[2.5.3 Activity based costing theory (ABC) 13](#_Toc167183411)

[2.5.4 The Dynamic Principle of Profit by Clark (1991) 14](#_Toc167183412)

[2.5.5Transaction Cost Theory (TCT) 15](#_Toc167183413)

[2.6 Empirical Evidence 17](#_Toc167183414)

[2.6.1 Vetchagool, Augustyn& Tayles (2023): Impacts of Activity-Based Costing on Corporation Performance: Case study of Thailand 17](#_Toc167183415)

[2.6.2 Obafemi & Taiwo (2023): Impact of Cost Control Measures on the Survival of Manufacturing Corporations in Nigeria 17](#_Toc167183416)

[2.6.3 Suleiman et al, (2023): Effect of Expense Management and Cost Reduction on Profitability of Manufacturing Firms in Nigeria: A Case of Nestle Nigeria Plc. 18](#_Toc167183417)

[2.6.4 Panchal et al, (2023): Cost control and cost reduction approaches in organisational performance by controlling excess finished goods inventory at warehouse. 18](#_Toc167183418)

[2.6.5 Oluwayemisi et al, (2022): Cost Control and Financial Performance: An Empirical Investigation of Selected Quoted Manufacturing Firms in Nigeria 18](#_Toc167183419)

[2.6.6 Njeri (2021): Effect of Cost Management on Financial Performance of Kenya's Agribusiness Companies 19](#_Toc167183420)

[2.6.7 Muse (2021): The relationship between cost containment and the financial performance of three telecommunication corporations in Turkey, Egypt, and Saudi Arabia. 19](#_Toc167183421)

[2.6.8 Mamidu and Akinola (2021): The effect of cost management on the performance of manufacturing companies in Nigeria. 20](#_Toc167183422)

[2.6.9 Ayorinde (2021): Looked at how cost containment affected pharmaceutical companies' financial results in Nigeria. 20](#_Toc167183423)

[2.6.10 Nwatu and Idoko (2020) Assess the profitability and declining operating expenses of manufacturing companies in South-East Nigeria. 20](#_Toc167183424)

[2.6.11 Yushang, Chipwere &Gyamfi (2020): The Impact of Cost Control Strategies on Companies’ Performance and Growth: Evidence from Some Selected Companies in Zimbabwe 21](#_Toc167183425)

[2.6.12 Bamwesigye (2019): Cost control measures and profitability in manufacturing firms in western Uganda: A Case of G.B.K group of companies Ltd in mbarara Municipality 21](#_Toc167183426)

[2.6.13 Mohamed Mahad (2019): The impact of cost control on profit maximisation of manufacturing companies in Mogadishu- Somalia 22](#_Toc167183427)

[2.7 Gap Analysis 22](#_Toc167183428)

[2.8 Summary of the chapter 23](#_Toc167183429)

[**CHAPTER III** 24](#_Toc167183430)

[3.0 Introduction 24](#_Toc167183431)

[3.1 Research approach 24](#_Toc167183432)

[3.2 Research Design 24](#_Toc167183433)

[3.3 Population 25](#_Toc167183434)

[3.4 Sample and Sampling Techniques 25](#_Toc167183435)

[3.5. Judgmental / Purposive Sampling 26](#_Toc167183436)

[3.6 Data Collection Methods / Research Instruments 26](#_Toc167183437)

[3.6.1 Questionnaires 26](#_Toc167183438)

[3.7 Types of Data 27](#_Toc167183439)

[3.7.1 Primary Data 27](#_Toc167183440)

[3.7.2 Secondary Data 27](#_Toc167183441)

[3.8 Data collection procedures 28](#_Toc167183442)

[3.9 Data Validity and Reliability 28](#_Toc167183443)

[3.9.1 Validity 28](#_Toc167183444)

[3.9.2 Reliability 28](#_Toc167183445)

[3.10 Data Analysis and Presentation Techniques. 29](#_Toc167183446)

[3.11 Ethical Consideration 29](#_Toc167183447)

[3.12 Summary 30](#_Toc167183448)

[**CHAPTER IV** 31](#_Toc167183449)

[4.0 Introduction 31](#_Toc167183450)

[4.1 Response Rate 31](#_Toc167183451)

[4.2 Reliability Test 31](#_Toc167183453)

[4.3 Demographic Information 32](#_Toc167183454)

[4.4 Gender of Respondents 32](#_Toc167183455)

[4.5 Age of respondents 33](#_Toc167183456)

[4.6 Work Experience of respondents 34](#_Toc167183457)

[4.7 Education of respondents 35](#_Toc167183458)

[4.8 Findings on the relationships between cost control techniques and profitability 36](#_Toc167183459)

[4.8.1 Objective one; To look into how Calundike Exports Pvt.'s profitability is affected by budget control. 36](#_Toc167183460)

[4.8.2 Objective two; to investigate how manufacturing organizations' profitability is affected by cost allocation. 38](#_Toc167183461)

[4.8.3 Objective three; to determine how cost monitoring and control affect profitability 40](#_Toc167183462)

[4.9 Chapter Summary 42](#_Toc167183463)

[**CHAPTER V** 43](#_Toc167183464)

[**Summary of findings, Conclusions and Recommendations** 43](#_Toc167183465)

[5.0 Introduction 43](#_Toc167183466)

[5.1 Discussions 43](#_Toc167183467)

[5.2 Summary of Findings 43](#_Toc167183469)

[5.2.1 Objective one; to look into how Calundike Exports Pvt.'s profitability is affected by budget control 43](#_Toc167183470)

[5.2.2 Objective two; to investigate how manufacturing organizations' profitability is affected by cost allocation. 43](#_Toc167183471)

[5.2.3 Objective three; to determine how cost monitoring and control affect profitability 44](#_Toc167183472)

[5.3 Conclusion 44](#_Toc167183473)

[5.3.1 Objective one; to look into how Calundike Exports Pvt.'s profitability is affected by budget control 44](#_Toc167183474)

[5.3.2 Objective two; to investigate how manufacturing organizations' profitability is affected by cost allocation. 44](#_Toc167183475)

[5.2.3 Objective three; to determine how cost monitoring and control affect profitability 45](#_Toc167183476)

[5.4 Recommendations 45](#_Toc167183477)

[5.5 Suggestions for further Studies 46](#_Toc167183478)

[**Reference list** 47](#_Toc167183479)

[**Appendix 1: Letter of Approval** 54](#_Toc167183480)

[**Appendix 2: Questionnaire** 55](#_Toc167183481)

**LIST OF TABLES**

|  |  |  |
| --- | --- | --- |
| **Table** | **Description** | **Page** |
| 4.1 | Questionnaire Response rate | **31** |
| 4.2 | Response to gender | **32** |
| 4.3 | Response to age | **33** |
| 4.4 | Response to work experience | **34** |
| 4.5 | Response to level of education | **35** |
| 4.6 | Budget control Regression model | **36-37** |
| 4.7 | Cost Allocation Regression model | **38-39** |
| 4.8 | Cost Monitoring and control model | **40-41** |

# **LIST OF FIGURES**

|  |  |  |
| --- | --- | --- |
| **FIGURE** | **DESCRIPTION** | **PAGE** |
| Figure 2.1 | Conceptual framework | **6** |
| Figure 4.1 | Responses to gender | **32** |
| Figure 4.2 | Responses to age | **33** |
| Figure 4.3 | Responses to work experience | **34** |
| Figure 4.4 | Responses to educational qualification | **35** |

# **LIST OF APPENDICES**

|  |  |  |
| --- | --- | --- |
|  | **APPENDIX TITLE** | **PAGE** |
| Appendix I | Letter of Approval | 54 |
| Appendix II | Questionnaire | 55 |

**CHAPTER I**

**INTRODUCTION**

## 1.0 Introduction

The study's history, problem statement, aims, and underlying presumptions about the subject of inquiry are the main topics of this chapter. The chapter also emphasizes the importance, constraints, and boundaries related to the field of study.

## 1.1 Background to the study

According to Kenton (2022), cost control is the act of determining and reducing company expenses in order to generate large profit margins. Cost containment has a centuries-long history. Cost control was not a major focus in the early days of business, but as companies expanded, it became more and more necessary. The significance of these ideas was further highlighted by the industrial revolution and the emergence of mass manufacturing. According to Green (2022), operations research and management science were developed in the 1950s and use quantitative techniques to evaluate and enhance systems. Just-in-time production, which aimed to cut waste and inventory, began to emerge in the 1960s.

Any company that wants to turn a profit big enough to cover all of its operating costs has to keep costs as low as possible (Don and Maryanne 2006). The desire for profit is a unique and defining characteristic of any company. It follows that this goal will result in cost-cutting, which is an essential element of corporate success. A successful business would accumulate capital as a means of compensating for unforeseen losses and as a reward for accomplishments. To achieve these objectives, each business must offer a valuable service or produce valuable goods that are sold ingeniously, consistently, and conscientiously. In order to save resources, these endeavors also need to be able to maintain low costs. The goal of cost management is to maximize overall business effectiveness through the creation and implementation of a consistent performance strategy. Thus, in order to control and minimize unnecessary expenses, a corporation needs to practice cost management. It also serves to boost market demand in an environment of intense competition. Pandy (2019), argued that the primary objectives of every organization are to optimize shareholder value, increase earnings, and restore customer pleasure. Conversely, non-financial goals place more importance on things like professional advancement and financial achievement. The majority of focus is specifically directed toward increasing income. If businesses want to minimize their expenses and accomplish their most important goals, cost containment must be their top priority. In recent years, companies have seen settlements that were unforeseen and severe, leading to a decrease in revenue Siyanbola, (2018). Even if performance is still below expectations, institutions in Nigeria seem to be paying greater attention to and supporting company operations. Adebayo (2020) asserted that this result was impacted by the industrial process's unpredictability, the tax system's complexity, and the ongoing emergence of new levies. Corporate operations must efficiently manage cost control in order to make the most of the limited resources that are available.

Businesses would not be able to survive if they did not consider the dynamic nature of our times (Teece, 2018). An important difficulty that organizations have as a result of rising operating costs is finding ways to reduce expenses, something that is challenging for a lot of these businesses to accomplish. Garrison et al., (2021), argued that to ensure survival and retain customers in this very competitive market, a business needs to constantly improve its cost, value, and packaging. To prevent exceeding their budget and incurring losses, businesses need to closely monitor their spending and use any opportunity to reduce costs without compromising their standards of quality.

A sizeable percentage of Nigerian companies who were unable to successfully control their expenditures, according to Adeleke (2017), either sold to larger organizations or merged with other companies to form a single company. Many businesses have therefore relocated to adjacent countries (Abdul & Isiaka, 2015). Even in the current economic environment, no business could endure long enough to accurately forecast its expenses. As a result, it is generally acknowledged that cost management procedures must be used by any business that conducts profitable operations. The company's operations will directly suffer if the costs of the business are not carefully investigated. Businesses now have to place a higher priority on cost reduction in so as to survive a recession and use it as a tactical tool (Berliner, 1998; Lasisi & Nuhu, 2015). Businesses in Zimbabwe are facing many difficulties as a result of the prevailing economic situation. Illustrations of cost-reduction tactics provided by Edom, Inah, and Adanma (2015) include capping employee phone use at work at what is required for business-related purposes, increasing internet access fees, and reducing electricity costs (Abdul & Isiaka, 2015). Even while corporate performance has been receiving more attention lately, a company's capacity to turn a profit is still the one most essential determinant when deciding how successful yes, it will be. As per Siyanbola and Raji (2019), there is an increasing focus on corporate performance in the financial and accounting literature. This has driven the researcher to have a deep investigation on the impact of cost control on profitability in the case of Calundike Exports Pvt Ltd.

## 1.2 Problem Statement

Calundike Exports experienced losses from its operations for three consecutive years that is from 2020-2022 due to high distribution, maintenance and administration costs. The firm's budget analysis during this period showed huge variances between budgeted and actual expenditures. This has led to closure of some of its branches nationwide and redundancy of employees. Therefore, the deterioration of the company's profits and closure of other branches due to operational difficulties has pushed the researcher to carry an analysis on the impact of cost control on profitability.

## 1.3 Research Objectives

i).To look into how Calundike Exports Pvt's profitability is affected by budget control.

ii).To investigate how manufacturing organizations' profitability is affected by cost allocation.

iii).To determine how cost monitoring and control affect profitability.

## 1.4 Research Questions

i).In what way does budget control impact profitability of Calundike Exports Pvt Ltd?

ii).What are the effects of cost allocation on manufacturing organizations' profitability?

iii). How does cost control and monitoring affect profitability?

## 1.5 Significance of the study

### 1.5.1 to the investigator

Since the topic problem is current, the study provided the investigator with more useful knowledge and understanding when he conducted the research. The research also helped the researcher to fulfil the requirements for his undergraduate degree programme at Bindura University of Science Education.

### 1.5.2 to the Organisation

The research will be beneficial to the company to recognize the significance of cost control that can result to improved profitability. The study could also help the organisation to identify areas where control measures could be implemented, resulting in greater cost savings. The research will also help the firm to understand the potential risks associated with cost control strategies and how to mitigate these risks.

### 1.5.3 to the university

Future researchers and faculty members who may want to study or carry out additional studies in the research field may find the research to be a useful source of literature.

## 1.6 Assumptions of the study

* The organisation should not change its cost control techniques.
* The study will be based on the presumption that the workers will be willing to provide accurate and valid information regarding the research problem.
* The selected respondents will be honest during data collection process.

## 1.7 Study boundaries

The study, is focused on the connection between cost management and profitability within the industrial sector, is confined to individuals who work in the finance, transportation, and warehousing divisions. The evaluation was restricted to Calundike Exports' Ruwa branch in Harare and would cover the company's operations from 2020 to 2022.

## 1.8 The study's limitations

* The investigator had budgetary constraints, particularly because mobile data was somewhat pricey when gathering research data online. The research was highly dependent on the researcher's finances, but in order for the study to be effective, he made an effort to secure funding from other sources.
* Accessibility of data was difficult but the researcher overcame this by explaining that it is meant for academic purposes only.
* The research was restricted to only Calundike Exports case study. This implies that not all manufacturing corporations will be able to use the study's results.

## 1.9 Definition of important terminology

* Budgetary control refers to the practice of overseeing and controlling an organization's financial resources to make sure they are used in line with the financial plans and budget that have been set forth
* Cost control is the process of controlling, keeping an eye on, and reducing expenses in order to guarantee profitability.
* Variance: This is the discrepancy between the actual financial performance and the budgeted amount.
* Operational difficulties: This term describes any circumstances that may prevent an organization from performing to the best of its abilities.
* Cost monitoring is the process of organizing and regulating expenses inside a company.
* Cost allocation is the process of determining, adding up, and attesting to expenses associated with cost objects.
* Profitability is the term used to describe the discrepancy between revenue and expenses incurred in the course of conducting company.

## 1.10 Chapter Summary

The research history, problem statement, study aims, questions, significance, restrictions, and delimitations were all disclosed by the researcher in this chapter. The notion and literature that attempts to clarify various researchers' perspectives on the research field will be examined in further detail in the upcoming section.

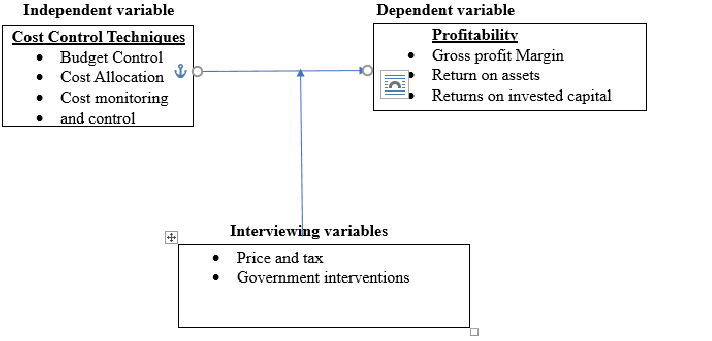
**CHAPTER II**

**LITERATURE REVIEW**

## 2.0 Introduction

The chapter's objective is to offer a succinct explanation of the theoretical and empirical examination of the literature, which includes published works by other experts and researchers who have undertaken similar research on the subject. It contains their individual viewpoints, specialties, results from earlier research, and conclusions. It also has a gap analysis that highlights the components that distinguish this study from others on relevant topics.

## 2.1 Conceptual framework

**Source:** **Mutya, J Account Mark 2018, 7:3**

**Figure 2.1**

## 2.2 To look into how Calundike Exports Pvt.'s profitability is affected by budget control.

According to Malcom and Harris (2010), in order to ensure that the goal of the policy is met by means of particular act or to act as a basis for its modification, the Cost and Management Accountants Institute (CIMA) defines budgetary control as the creation of budgets that link managerial duties to policy demands and continual comparison of actual with budgeted outcome. Assisting managers in rationally and methodically planning and controlling the use of resources to ensure they meet their financial goals profit maximization, or producing the maximum profit, and profit satisfying, or producing a satisfactory level of profits is the main objective of budgetary control.

The company's next move is to define their financial strategies using financial and non-financial budgets that take into consideration all aspect of the business's operations and are based on their projections for the future term (McMahon, 2013).   
Bendney and Coiston (2015) state that owners of small enterprises usually serve as their only manager. But when a company expands, it often splits up into smaller units and appoints a specialized manager to oversee each unit, with multiple specialized line managers taking on different responsibilities. A budget will compel management to think strategically and foresee potential outcomes, therefore it's critical that decisions be made within the framework of an overall plan to guarantee that the company will meet its goals. Therefore, it is imperative that the company have a formal planning and control system that lays out the goals for each functional management as well as the company as a whole.

Ecoman-competence and training (2011) provided a thorough analysis of the necessity for budgetary restrictions. The resources for business and financial data that, when compiled into budgets, provide details regarding financial and company strategies are identified through budgetary control (Hoffman & Cashin, 2021). Additionally, it lists the financial and budgetary skills needed to make smarter decisions, whether for an ongoing project or a brand-new business endeavour. Lastly, it unifies cost-control procedures and budgets with the organization's strategic planning. Learn how to employ creative versus traditional budgeting techniques and acquaint yourself with activity-based costing and budgeting.

Examine capital budgeting strategies and cash flows; determine the company's important financial metrics as well as when and how to monitor them; consider the drawbacks and restrictions of fiscal oversight and explore for alternatives; recognize the significance of striking a balance between the both the financial and non-financial facets of the company; Analyze performance measures and budgets as instruments for communication; lastly, assist with resource use and thinking beyond the budget (Welsch, et al, 2018). Every given institution uses capital and labour to meet its financial goals, but only to a limited extent. Improved coordination and communication of all operations and activities benefits a company's multiple departments (Merchant & Van der Stede, 2017).

The manager can be motivated by using well-defined goals and tracking accomplishments by having staff members participate in budget creation. This approach can also serve as a model for future research and development management. Planning ahead enables coordinated action, which compels management to think ahead (Drury 2018). Given that it results in improvements in cost management, waste reduction, and production efficiency, this is possibly the most important factor in the success of any organization.

## 2.3 To investigate how manufacturing organizations' profitability is affected by cost allocation.

The key components of a cost distribution system, according to Joreme (2011), are a list of array offers (like a service catalog) and a way to keep track of which organizations supply an item or service and which organizations use it. Depending on how an organization is set up internally, the cost distribution data can be fed into an Enterprise Resource Planning (ERP) system's chargeback module or utilized to create an internal invoice. According to Weaver and Lyons (2020), one common way to influence employee behavior is to retrieve the data from an invoice or chargeback module. In exchange, the consumption data turns into a valuable quantitative resource for better decision-making in business. Nowadays, there is a growing need on organizations to reduce costs and encourage wise resource management (Anderson & Sharma, 2020). A business must function in this environment within stringent budgetary constraints and provide services and goods of commercial value at a fair price.

According to Kaplan and Cooper (2015), a company may, with the use of an effective cost allocation strategy, monitor cost recovery, allocate spending to business units, and ascertain what services are being provided and at what cost. According to this model, each customer and the service provider get knowledge about their individual service needs and utilization, in addition to how these aspects impact the entire prices. Consequently, the business units' internal discipline and the organization's overall financial discipline both benefit from this knowledge (Singh & Kapoor, 2021). The company's divisions have the authority and urged to produce educated judgments regarding the amenities and accessibility standards they demand when the company controls the costs of services rendered. They are able to trade off service levels and expenses by comparing internal costs with those of external providers.

According to Constance (2010), any organization needs to describe its expenses. A basis for this understanding is provided by details about who touches the organization, how financing is distributed within it, and what it does and how it does it. As per the Uniform Guidance issued by the Office of Budget and Management, indirect costs fall into just three categories which are direct, indirect-administrative (overhead), and indirect. It is possible to fully capture the true cost of service by accurately describing and distributing charges. Direct costs are those that have a clear connection to the final cost objective.

According to Danladi (2012), inventory costs and cost of goods sold can be calculated by allocating expenses to specific projects and products. Financial accounting needs are usually served by these allocations. But as previously said, managers also frequently use the generated costs for planning, performance reviews, and manager motivation (Cooper & Kaplan, 2019). To get paid back or to defend expenses. Prices can occasionally be set precisely based on costs, or an accepted bid may need to be supported. For instance, government contracts frequently contain a price that covers both a profit margin and expense reimbursement (Drury, 2019). In these situations, cost allocations take the role of the market's normal mechanism for determining prices.

According to Stefania and Sgardea (2009), expenditures should be allocated according to cost pools, ideally maintaining distinct pools for fixed and variable costs. To provide a minimum level of service, fixed expenditures for service departments should be distributed using monthly lump payments that have been specified. When assigning variable costs, a predefined standard unit rate for the services actually rendered should be employed (Horngren et al., 2022). It is usually advisable to only allocate an organization's core costs for which department-specific use measurements are available. There are two ways to apportion service department costs: the step-down method and the direct method.

Regina (2012) contended, that units of measurement or relative-sales-value approach is frequently employed to assign products to joint costing for valuing inventories and profit determination. These distributions should not, however, influence choices. The use of activity-based costing is becoming more common. It begins by allocating expenses to an organization's operations. Cost drivers, which quantify the reasons behind an activity's expenses, are then used to link costs to specific goods or services.

## 2.4 To determine how cost monitoring and control affect profitability

Although external shareholders' keeping an eye on and management of expenses is unlikely to totally remove expenditures incurred by managers, it is likely to reduce them as it limits their discretion (Danladi, 2012). As we examine the markets, one fundamental notion is that they anticipate agency costs influence ownership arrangement on stock values in the empirical section. If the owner-manager is unable to avoid eventually bearing the cost of her actions, then she will be bound by wealth impacts on the value of her equity interest. Moreover, the management is motivated to strive towards minimizing agency expenses (Jensen and Meckling, 2014). Despite using a unique instance, Jensen and Meckling's (2014) research effectively illustrated the tension that exists between managers and owners. Of course, we have not included any cost-saving measures that the managers or outside investors have taken in the form of bonding (compensation linked to firm value, etc.) or monitoring. Even if most of the assumptions are loosened, there is still owners and managers competing interests because the owners are not able to fully observe the manager's activities and their effects. In 2015, Pagano and Roell give an illustration of what happens when the external shareholders' Monitoring is considered. They demonstrated that the owner-manager favours more widely distributed outside holdings since there is less oversight and greater leeway to allocate the company's resources to non-financial gains. The core argument of the tracking model developed by Jensen and Meckling (2014) is that a given level of insider ownership comes with a cost trade-off. Every time the management watches an outsider's investment in addition to her own, business expenditures result from a fundamental conflict of interest.

Berle and Means (1932) arrived at a similar conclusion, claiming that managers were able to take personal advantage of the wealth of the companies since ownership and control of major public companies were separated. Based on this agency issue, Meckling and Jensen created the ownership structure theory. The performance of the business is influenced by its ownership structure due to the difference of interest that exists between management and outside stockholders. In his paper, Jensen (2010) also discussed the impact of debt financing on management incentives.

Their primary findings are in line with those of outside equity. More debt increases a manager's riskiness or propensity to take risks, therefore the cost of carrying on more danger (and the efforts made to avoid it) might be viewed as a cost. Sometimes, the expenses are covered by the business as an elevated price of funding. Furthermore, Meckling and Jensen argued that issues with control imply that a company's debt load is not a factor in the probability distribution of future cash flows. Greater debt causes people to take more risks, which increases return variance (Abor, 2022). In order to reduce the total agency costs, which are made up with regard to agency expenses for debt and external equity, and to optimize company value, the levels of debt and outside equity are decided upon concurrently. They do not go into the specifics of their ownership structure model, but the results drawn above still hold true. The fact that various types of outside investors incur varying expenses and are impacted by agency issues is crucial in this situation.

Additionally, Jensen and Farna (2003) noted that when making decisions, inside the company is diffuse, management (starting and carrying out) and control (approving and overseeing) of decisions can be kept apart to cut expenses. This may imply that shareholders control decision-making and managers handle decision-making in smaller companies, but in bigger businesses, both need to be spread out and segregated at different organizational levels. Of course, there are a lot of other variables than the type of information used in decision-making that might tip the scales in favour of ownership and control separation. Firm size, which is also present in Jensen and Meckling, provides a clear explanation for this (2013). In-depth analyses of the voting patterns of businesses and the issues with free-riding that substantial shareholders may potentially help resolve have been done by Easterbrook and Fischel (2014). The fact that monitoring is expensive and requires time and financial resources is crucial for the big shareholders to have an impact. Here, monitoring refers to more than just keeping an eye on managers' behavior; it also includes actively participating in corporate decision-making and determining the actions' implications in an uncertain world. According to Jensen and Meckling (2013), heightened monitoring efficiency is causing an agency cost decline in the portion held by the largest owner, or largest owners. Zeckhauser and Pound (2014) have suggested formal models to illustrate why having a big block holder could enhance the effectiveness of the organization.

## 2.5 Theoretical Review

### 2.5.1 Balanced Score Card Model (BSC)

Numerous academics and researchers have noted how prevalent the Balanced Scorecard system is. In Neely (2005).The BSC is widely used in practice and is regarded as the most well-known performance measurement model currently in use (Rigby, 2001). Robert Kaplan and David Norton created the BSC in 1992 with the idea that financial metrics alone would not be adequate to assess an organization's effectiveness in business. The BSC outlines the goal and strategy of an organization in a thorough set of performance measurements that serves as the foundation for management systems and strategic measurement. Norton and Kaplan, 1996). It is claimed that the BSC is an integrated performance measurement system (IPMS). This indicates that it is a set of performance metrics that are logically connected to each other and cover all of the critical success factors (CSFs) that are crucial to business operations strategy point. IPMSs are composed of three layers. The first layer describes the network between the CSFs and the strategic objectives. This layer is known as the business model. This model shows how a business can use the cause-and-effect relationship to carry out a plan. The second layer displays the performance dimensions, which, from the organization's perspective, reflect the significant CSFSs. The last layer consists of the measurements for these dimensions. (Moutty and Kader 2011). The BSC illustrates the need to establish equilibrium between internal and external perspectives as well as between financial and non-financial measures. For the organization to succeed over the long run, all four viewpoints are crucial.

Evaluation of the Balanced Score Card.

Despite the fact that BSC's significance and influence on writing are widely known, critics have not remained silent. According to Smith (2005), the BSC does not take into account the rivals of the organization, despite the fact that competitors are important players in the business environment and should not be overlooked. Instead, it exclusively concentrates on the four viewpoints. Furthermore, Neely et al. (2001) contend that despite the BSC's innovations, other variables including economics and technology have caused the world to adopt new priorities. The BSC model does not account for these. Moreover, Neely et al. (2001) contended that while the BSC concept has merit, it offers no direction on how suitable metrics should be found, implemented, and used to manage the businesses. According to some academics, the model is less appropriate for other industries because it was primarily created for manufacturing engineering organizations (Kaaijenbrink, 2012). Because it provides a foundation for performance measurement by connecting performance indicators to the organizational strategy and strategic objectives as demonstrated, the BSC model is therefore somewhat relevant.

### 2.5.2 The theory of Kaizen Costing

As the costing counterpart of the Kaizen approach, Yashuhiro Monden propounded the Kaizen Costing Approach in 2001 (Monetary and Commercial Systems, 2001). The phrase describes the continuous procedure of progress. Kaizen Costing aims to achieve continuous, progressive, and gradual enhancements to manufacturing at the least feasible expense. To ensure maintenance of the marketability of the product, Ansari & Lockwood (2004) claim that Kaizen Costing makes sure that features, quality, and pricing either meet or surpass consumer expectations. To do this, gradually remove every stage that would raise the item's manufacturing costs without raising its value (Rof, 2012). The concept highlighted how our homes, social circles, and ways of living are constantly changing. This tactic has led to important improvements in management techniques both domestically and internationally (Ogundele, 2004).

The following essential actions are part of kaizen costing:

1. **Cost identification**: is the initial step in determining and understanding the costs associated with a procedure or product. This includes indirect costs like overhead as well as direct costs like labour and supplies.

2. **Setting specific goals for cost reduction**: After costs are identified, specific goals for cost reduction are made. These objectives should be challenging yet reachable, and they should be consistent with the overall business goals.

3. **Idea generation and brainstorming**: Employees are encouraged to offer ways to save expenses. This can be achieved through frequent meetings, idea boxes, or brainstorming sessions where employees can provide ideas.

4. **Evaluation and selection of ideas**: The created concepts are evaluated based on their potential benefits, cost implications, and viability. The ideas that have the best possibility of working are put into practice.

5. **Cost-cutting methods are implemented**: In order to reduce expenses, the selected concepts are implemented and modifications are made to systems, goods, or procedures. This can mean re-evaluating products, eliminating waste, simplifying procedures, or developing more reasonably priced solutions.

6. **Monitoring and review**: Cost-cutting measures undergo periodic evaluations, and their advancement is monitored. This facilitates the identification of any goals deviations and the implementation of corrective

The kaizen strategy differs from standard cost-cutting strategies in that it prioritizes tiny, continuous improvements above significant, one-time cost-cutting projects. It acknowledges that little changes made now can have a big effect later on.

Evaluation of the theory

Kaizen idea is highly effective when it comes to promoting continuous improvement, involving employees, eliminating waste, using data-driven decision making, and placing an emphasis on long-term cost reduction. It is critical to keep in mind that Kaizen cost theory need to be integrated into a more thorough framework for cost management that additionally includes different approaches and techniques. It is not a cost control strategy that works on its own. Further factors that impact implementation success include staff commitment to continuous improvement, leadership support, and corporate culture.

### 2.5.3 Activity based costing theory (ABC)

Cooper and Kaplan's (1992) highly applied study at a few top US companies served as the foundation for ABC. Compared to traditional systems, ABC more accurately depicts the economics of the operational procedures. It was suggested as an alternative to standard costing approaches (Drury, 2015). Actually, by identifying cost drivers, ABC overcomes the limitations of traditional costing. This allows an organization to collect higher quality data to recognize the behaviour of a task and identify the underlying reasons for overhead expenses (Tseng and Chien, 2007). Through ABC examination, firms obtain a more profound knowledge of their cost systems, cost actions and corporate procedures. They are therefore more adept at controlling expenses, the quantity of additional value, and the framework of their tactical reactions (Mansor et al., 2012). It gives managers a thorough method to help them comprehend how the operations of the organization impact expenses.

Organizations can find possibilities for managing costs and minimization by the removal of certain or all nonvalue-adding activities in order to make better use of time and resources through a detailed analysis of activities and associated expenses (Kaplan and Anderson, 2007). ABC can therefore be applied throughout the entire the chain of value for promote increased effectiveness and improved execution. Gaining additional knowledge about the accuracy of costs can help make better pricing decisions by identifying profitable and loss-making products. This could lead to a product portfolio being improved by adjustments to the combination of products in order to increase financial outcomes (Drury and Tayles, 2006). Possible benefits of operational advantages are also highlighted in the ABC literature, including increased process efficiency (Cagwin and Ortiz, 2005), reduced expenses (Young, 1999), and enhanced quality (Bescos and Charaf, 2013). Despite the fact that conceivable that there could be a relationship of this kind, improving operational success does not always translate into better financial performance. For instance, a business that aims to differentiate itself from the competition by providing quick and flexible responses to client inquiries would purposefully leave some capacity available to do this. Because of this, even while their delivery reliability and reaction time metrics may be excellent, their efficiency of processes and capacity usage metrics could be subpar, especially when in contrast to the cost-leader, for example. But in a capitalist economy, this trade-off would be a management decision on a suitable balance, and it would probably be informed by advice pertaining to short- or long-term profits.

According to the ABC literature, companies that use ABC extensively for a variety of reasons (e.g., budgeting, performance measurement, pricing decisions, product design, costing, and outsourcing) might find it advantageous to implement ABC (Drury and Tayles, 2005; Cagwin and Bouwman, 2002; Swenson, 1995). According to Maiga and Jacobs (2008), "one might anticipate the rewards acquired from a novel concept, for instance ABC, to hinge on the level which it pertains to absorbed through a corporation's beneath the system." As a result, the degree and intent of use may have different effects on managerial choices and, consequently, on how well the technique is applied. Therefore, it's feasible that utilizing ABC more frequently and to a larger amount might enhance organizational performance.

### 2.5.4 The Dynamic Principle of Profit by Clark (1991)

According to Clark's (1991) Dynamic Theory of Profit, profit is the residue that is, the distinction in cost and pricing of that remains after economic changes such as population growth (which drives down wages), increased capital supply (which drives down interest rates and, thus, the cost of capital), innovations (which drive down costs), higher inventory (which drives up prices even though the cost of production stays the same possibly due to inflation or higher demand) and organizational structures (which drive down costs). The windfall hypothesis of profits is another name for this theory. This theory is a residual theory of profits because it views profits as a price residue left over after costs are subtracted. An economy that is stagnant is one in which not much changes or stays the same. For instance, while the factors of production are free to move, the capital and people remain in the same places, the manufacturing process is unaffected, the products are homogeneous, and every industry's the marginal item never changes. Furthermore, there is no risk or ambiguity. Conversely, the general changes that characterize a dynamic economy include population growth, technological advancements in the manufacturing sector, shifting and rising consumer demands, modifications to organizational structures, and an increase in capital. An entrepreneur's main goal responsibility is to operate in an evolving economy, seizing opportunities to advertise his company, cut expenses, and increase sales (Horngren, 2005).

Clark claims that companies that are able to benefit from these modifications in the ever-changing industry and turn a normal profit into pure profit. Pure profits are not sustainable for long since the rivals quickly absorb the leader's threat. The demand for the production elements rises as a result, driving up the price of those factors and raising the total cost of production. However, pure profits are eliminated when output increases since a product's price decreases for a certain level of demand (Kellerman, 2010).

Thus, profit, in Clark's view, is an illusive quantity that a business owner can strive for but cannot hold onto given that it eludes them as it distributes to all members of society. It is important to understand that earnings in an economy that is changing do not appear to arise momentarily before going extinct, as suggested by Clark's dynamic model of profit. Nonetheless, generic shifts occur frequently, and the astute manager or business owner needs to seize this opportunity to maintain above-average profitability (Shrank, 2001).

### 2.5.5 Transaction Cost Theory (TCT)

The transaction cost hypothesis served as the foundation for this inquiry. Although the introduction of technology is intended to reduce transaction costs, it is important to remember that technology minimizes the expenses of trade and enhances benefits for everyone involved, if the resources that it utilizes are smaller than the cost of the exchange spent (Ciborra, 1993). This is in line with the transitional cost theory. As a result, it is critical to assess the consequences on the economic framework in light of the context of actual transactions. Alternative solutions similar to teams, hierarchies, and markets are put in place to lessen the impact of the many different elements that combine to cause transaction costs. In order to reduce expenses for transactions, alternative frameworks must be taken into account when examining the design. Given that cost reduction strategies are the primary focus, automated systems have an impact on banks' cost management.

Reen (2013), made a significant addition to this with his examination of Teams, Market, and Systems conversation. The study focused on the development of substitute techniques for enforcing different transactional mechanisms in teams, hierarchies, and markets following TCT. The distinctiveness of this work is found in its comprehensive analysis of different transactional processes and its presentation of recommended remedies in terms of TCT-driven development. Furthermore, a framework that directs the decision-making process while evaluating the costs and benefits of these alternative options is put forth. Similar to this, Kellerman (2010) advocated that when designing solutions to reduce transaction costs, the efficiency criterion should be followed. The best method to support this kind of design is to use cost-benefit analysis.

Kotole (2011), who also looked at the effects on the market and hierarchy, states that ICT supports Control of information and flow throughout the different process stages. It was proposed that the application of transaction cost theory would not support market arrangements in which a hierarchical solution would be required. According to Tim (2011), using this strategy reduces information asymmetry, which in turn increases the conditions in which the market mechanism acts as a useful allocative framework.

Technology, according to Hamilton (2010), has lowered the costs associated with locating the specific good that is the subject of the transaction by enabling information to be shared considerably more quickly and at a lesser rates. Furthermore, these authors argue that TCT lowers the cost of brokerage and makes it easier to link buyers and sellers after products have been found. According to Modigliani and Miller's (2013) study, technology and TCT enable the intentional strategic deployment of links and networks among collaborating enterprises with the aim of achieving shared strategic goals and gaining an advantage over competitors.

.

## 2.6 Empirical Evidence

### 2.6.1 Vetchagool, Augustyn& Tayles (2023): Impacts of Activity-Based Costing on Corporation Performance: Case study of Thailand

The research speculated and used statistics evaluated an alternate, fundamentally diverse examples of anticipated favourable benefits of ABC on business accomplishment in order to extend the restricted yet contradictory outcomes of previous studies. Additionally, the moderating impacts of firm size and type are tested. This comparative study used verified indicators, structural equation modelling (SEM), and statistics from 191 Thai companies' surveys to evaluate models' capacity help clarify the information. The outcome showed that while there is a direct improvement in operational performance when ABC is widely utilized in cost assessment, expense planning, and assessment of costs, there is also an indirect improvement in financial performance. The findings are applicable to both businesses that manufacture and those that don't, as well as big and (SMEs).

### 2.6.2 Obafemi & Taiwo (2023): Impact of Cost Control Measures on the Survival of Manufacturing Corporations in Nigeria

The research evaluated how expense management affects the viability of manufacturing businesses in Nigeria. The investigation evaluated the degree to which the various cost-reduction measures had been applied in the industry using financing expenses pay and benefits, as well as the cost of items supplied. Important concepts such as growth rate fitter theory were examined in the paper. The cost of goods sold, financing costs, salaries and wages were all disclosed by the five manufacturing enterprises that were chosen. To determine how these expenses will affect the companies' ability to grow or survive, the data was analysed utilizing a fixed effects model for panel regression. The results of the investigation showed that industrial enterprises had been able to control their borrowing expenses, also referred to as finance charges or loan interest. It has proven impossible to control the cost of sales. The findings of the research indicated that expenses for sales, finance, and compensation and earnings had a major impact on the profitability of producing businesses in Nigeria. The research suggested that Nigerian manufacturing firms look into proper cost control and alternative raw material suppliers. Promoting widespread mechanized primary raw material production and creating a source of supply for imported raw materials are two ways to implement this alternative.

### 2.6.3 Suleiman et al, (2023): Effect of Expense Management and Cost Reduction on Profitability of Manufacturing Firms in Nigeria: A Case of Nestle Nigeria Plc.

This study examined manufacturing companies' profitability in Nigeria with respect to cost management and control. Seventy-eight producing companies that traded on the Nigerian Stock Exchange made up the study's population. The research used an illustration of one of these organizations during a ten-year period (2012–2021). The chosen organization's audited financial filings provided the data for the project. An analysis of multiple regression was performed on the gathered data. The investigation's conclusions demonstrated that the costs of administration significantly affect profitability. Nevertheless, both financing costs and variations in material expenses have a negligible and adverse impact on Nestle Nig. Plc's profitability. The investigation concluded that cost control and reduction had a substantial influence on Nestle Nigeria Plc's profitability. The article included suggestions on how to implement cost-management and cost-minimization techniques in a way that won't ultimately lead to a company's failure. It was also essential that these strategies be closely analysed, observed, and reviewed to ensure that they meet their goals.

### 2.6.4 Panchal et al, (2023): Cost control and cost reduction approaches in organizational performance by controlling excess finished goods inventory at warehouse.

The project's primary goal was to optimize costs in the manufacturing system by using cost-reduction and cost-control measures. Any company's fundamental purpose is to increase rewards, yet the principal challenge encountered is an increase in operational expenses. The increasing cost of production makes it harder for many businesses to run as profitably organized, efficiently structured businesses, which may result in the use of different cost management and reduction strategies. In the tyre sector, raw material costs have recently increased by 30 to 40% whilst manufacturing expenses have stayed constant due to stiff competition. Indeed, the extent of radicalization is used as a barometer for the economy, auto industry, and road building. Despite the problems, constraints, and prohibitions, tyre producers have kept up with the development of technology and offered cutting-edge goods (tyres) that are on the same level with the best in the world.

### 2.6.5 Oluwayemisi et al, (2022): Cost Control and Financial Performance: An Empirical Investigation of Selected Quoted Manufacturing Firms in Nigeria

The study looked at the revenue growth of a selection of Nigerian manufacturing corporations that are listed with regard to cost-reduction. The examined yearly financial reports of the selected corporations for ten years starting 2011 provided the information for the ten selected organizations. The panel regression model was employed for data analysis. The research's conclusions demonstrated that although costs of distribution and sales had a barely noticeable favourable influence on the output of the finances, their impact on the sampled firms' administrative financial performance was negligibly negative. The research findings indicate that cost-cutting measures affect the finances that is both favourable and unfavourable on the health of producing enterprises in Nigeria. The study recommended that industrial organizations strive to reduce administrative costs as much as possible because every attempt to deploy a change agent that improves one financial performance metric may negatively impact another.

### 2.6.6 Njeri (2021): Effect of Cost Management on Financial Performance of Kenya's Agribusiness Companies

The aim of the research was to determine how cost control had an impact on the effectiveness of agribusiness firms in Kenya. The study employed a descriptive panel study methodology. This analysis used secondary data. The intended audience consisted of four agricultural companies that, as of December 2018, have 1,245 farmers registered with the Kenyan Commissioner of Cooperatives, which included the counties of Homabay, Bungoma, Busia, and Siaya, which additionally served as the intended quantities of the investigation. Utilizing sampling from censuses, a sample of the population. The 10 year period from 2009 to 2018 was covered by secondary data that was collected. Data was gathered utilizing a supplementary data gathering form, and several panel regression models were used for analysis. High levels of member illiteracy was one of the challenges encountered during the data collection process. In order to have the authorities comprehend the principles under investigation, this was managed by walking them through the cost management zones. The findings of the research demonstrated that managing costs had a substantial influence on return on investment, a measure of an agriculture company's financial performance in Kenya. Additionally demonstrated the influence's statistical significance. Consequently, the report recommends cost management training for all farmers employed by agribusiness companies.

### 2.6.7 Muse (2021): The relationship between cost containment and the financial performance of three telecommunication corporations in Turkey, Egypt, and Saudi Arabia.

Information gathered in this investigation was examined using a model based on multiple regression. According to the assessment, Saudi Arabia Telecom Company's expenditure control had a major impact on its financial health over the time, whereas Egypt's telecom sector's expenditure management had no effect on the companies' financial success. The investigation found that Turkey Telecom corporation's expense control is misguided. The study advised that in order to maintain the firm's obligations under command, a measurement for the efficient the financial standing of the business should be developed. Additionally, the board of directors should shorten the loan payback terms and repay off lenders promptly. Likewise Egypt Telecom Corporation must explore its financial performance by creating opportunities that will foster the growth of the financial performance, such as increasing its client base and making the firm more appealing to investors.

### 2.6.8 Mamidu and Akinola (2021): The effect of cost management on the performance of manufacturing companies in Nigeria.

To examine the problem, secondary data from the firms' financial reports was gathered. The Ordinary Least Square Linear Regression a model was applied to test the data. The outcome indicated that whereas total asset was substantially and positively correlated with profitability, equity was shown to be highly correlated with the companies' profitability. Profits, however, are greatly influenced by cost containment. The research came to the conclusion that Cost control has a big impact on profitability. The investigation went on to suggest that as cost management practices have a significant impact on the financial performance of the business, decision-makers and transactional advisers should be eager to implement them.

### 2.6.9 Ayorinde (2021): Looked at how cost containment affected pharmaceutical companies' financial results in Nigeria.

Researchers used secondary data in their investigation. Secondary sources of data were Nigeria's six publicly listed pharmaceutical companies. Panel regression analysis was used to evaluate the impact of expense control on the financial execution of pharmaceutical corporations in Nigeria. The results demonstrated that cost control has a major impact on Nigerian pharmaceutical companies' ability to make money. The research suggested that management of the firms should implement modern strategic cost control techniques in order to function efficiently inside the organization and enhance performance.

### 2.6.10 Nwatu and Idoko (2020): Assess the profitability and declining operating expenses of manufacturing companies in South-East Nigeria.

In total, there were 3866 employees. A method of stratified sampling was used to choose the research population from among the groups under investigation. Through the use of Freund and William's statistical formula, 350 was shown to be an adequate sample size. The primary sources were the dissemination of a questionnaire and in-person interviews. To examine the data, the correlation coefficient of Pearson was employed. The study's outcome indicated that bank fees and growth have a significant effect on profitability. Travel expenses and the product's unit value are also directly related to profitability. Furthermore, sales revenue and expenses significantly affect profitability. The study concluded that there was a substantial correlation between the expansion, revenue, as well as the produce's worth per manufacturing unit companies in South East Nigeria and bank fees, travel expenses, and marketing costs. The research recommended that banks and manufacturing firms collaborate to lower their fees to match rivals.

### 2.6.11 Yushang, Chipwere &Gyamfi (2020): The Impact of Cost Control Strategies on Companies’ Performance and Growth: Evidence from Some Selected Companies in Zimbabwe

The investigation examined at how expense control impacted the financial performance of Zimbabwe's producing sector. A descriptive methodology was employed in the study. Panel data was gathered for the study from 2014 to 2018 through the use of financial records from a particular manufacturing company. The examination of the data for the research used pooled regression analysis. According to the investigation, return on equity is marginally positively impacted by inventory costs. Although labour costs will raise performance, they may also have a negative effect if labour expenses represent greater percentage of the company's overall profit. In order to increase the yield on equity for its largest investors, the study recommended firms to make sure that gains or funds that are allocated to the labour component are well-accountable. Organizations should, once more, invest more in their sales division; caution should be exercised though, as they fully understand that any profits or funds invested in this area will be recovered through turnover.

### 2.6.12 Bamwesigye (2019): Cost control measures and profitability in manufacturing firms in western Uganda: A Case of G.B.K group of companies Ltd in mbarara Municipality

The research examined expense containment strategies and financial success in a producing company in Uganda. This study aimed to determine how cost constraints affected manufacturing companies. Combining qualitative and quantitative methods in a poll and broad study design methods were used for data collection. The findings demonstrated that, within the Group of Companies G.B.K. Limited, budget control significantly affects the manufacturing company's profitability. The study found that G. B. K Group of Corporations Limited's manufacturing division's efficiency is positively and considerably impacted by fiscal control. Also that, while the budget control was observed to be functioning, it did so only to a limited extent, and that, in order to improve profitability, the budget control needs to be improved. The study recommended that in order to properly apply budgetary controls, manufacturing businesses should have a very comprehensive budget control approach that involves every division and parts.

### 2.6.13 Mohamed Mahad (2019): The impact of cost control on profit maximization of manufacturing companies in Mogadishu- Somalia

The purpose of this investigation was to examine how manufacturing companies' attempts to maximize profits were impacted by cost control. The issue has to be addressed through research since manufacturing businesses are becoming less profitable and their operating and production costs are increasing. It was predicated on the idea that each and every reaction were submitted by Onkod Mobilya, who represented Somali Plastic Co., and other manufacturing companies. The goal of the study was entirely met by the researchers thanks to the adoption of a descriptive research approach, which enabled them to gather important and useful data that was reliable and valid. A quantitative approach was adopted in the data collection process. The primary data was contributed by 55 employees from various departments of Somali Plastic Co. and Onkod Mobilya, who made up the target population. Significant study findings showed that cost-cutting initiatives boost manufacturing companies' profits since they immediately correspond with lower expenses and higher levels of earnings. Additionally, it was evident that in order to increase profit margins, cost components like labour, materials, and overhead could be proactively handled by applying methods such as variance examination, standard costing, and financial oversight. Cost management required a strong cost control system because it minimized waste and inefficiencies in manufacturing as well as throughout the company. The findings also demonstrated that the cost technique had negative effects on labour costs, wasteful material use, maintenance and repair costs, and operational efficiency.

## 2.7 Gap Analysis

Based on reviews of related research, the gaps that follow will be recognized: several researches that were conducted in various organizations and nations that fall inside the geographic gap that this study aims to close; likewise, the theories used in various nations were not precisely identical to those employed in this investigation; for example, according to Lazaridis and Trifonidis (2014), there is a connection between profitability and money management, and poor cash management hurts profitability. However, the results of another investigation conducted from an alternative viewpoint, determined that According to Eli elly (2014), the cycle of cash conversion has a stronger effect on profitability than the current ratio does.

## 2.8 Summary of the chapter

The chapter examined the points made by other scholars and sources regarding how cost control affects the effectiveness of an organization. The conceptual frameworks and theories accessible for cost control and performance measurement are also provided in this chapter. The gap analysis, which concludes the chapter, describes how this study differs from earlier investigations. The research methods will be covered in the upcoming chapter.

**CHAPTER III**

**RESEARCH METHODOLOGY**

## 3.0 Introduction

A methodology statement outlines the various approaches a researcher in a field of study may take. This chapter addresses the methodology and techniques the investigator employed to gather and analyze data while conducting the study. The study methodology includes the sampling strategies, data gathering instruments, and research design.

## 3.1 Research approach

The numerical study methodology was used in the investigation. Using standardized, systematic, structured questioning techniques with predetermined response alternatives that are given to a sizably large number of respondents is the hallmark of data collection procedures used in quantitative studies. (Hair et al, 2008). In 2002, Babbies and Mouton defined a quantitative study as an investigation into a social or human problem that uses numerical measurements to test a theory made up of variable measures and statistical analysis to ascertain whether the theory's predictions for generalization are accurate. Researchers can identify intricate causal links and ascertain the degree to which one variable influences another through statistical analysis. Thus, this study's objective was to assess the relationship between organizational success and cost containment.

## 3.2 Research Design

In the opinion of Klein (2021), a research design is the entire strategy or plan utilized to conduct a study and achieve its objectives. According to Burns and Groove (2003), it is a strategy for conducting a study with the highest level of control over factors that can compromise the validity of the findings. As stated by Kothari (2004), a study plan is the configuration of parameters for data collection and analysis with the intention of achieving a balance between the study goal's relevance and procedural efficiency. It may also be defined as a comprehensive strategy selected for a study that brings together the many elements in a coherent and intelligible way, thereby directly addressing the research question (Paul and Ormrod, 2013). Therefore, in order to solve the research problem, a research design can be compared to a road map that outlines the processes involved in carrying out the study, such as data collection, data analysis, and target population identification. Calundike Exports Pvt Ltd in Ruwa served as a case study for the research. As stated by Wellington and Hammand (2013), a case study examines a unit that offers an illustration of a particular area of study. They continued by saying that it works well for small-scale research where the researcher has easy access to a high degree of contextual information and highly relevant data. A case study provided a more thorough grasp of the subject being studied since it considers a range of

## 3.3 Population

Obilor (2023), outlined a population as the complete collection or assembly of individuals, objects, or occurrences that have particular characteristics in common and are important to an investigator. A population, according to Claire and Smith (1997), is a collection of entities that are the focus of the investigation and to which inferences from sample analysis will be applied. According to Wegner (2003), it consists of all possible observations on a random variable. Thus, the population may be defined as the entire group of people, events, or topics that the researcher want to investigate. Due to a number of limitations, such as limited budget, time, and urgency, most research projects are impossible to study every member of a specific community because populations are infinite.

Calundike Exports Pvt Ltd was the research unit. The management and staff of the company made up the study's target population. According to Casteel & Bridier (2021), the target audience is the demographic that includes things that the investigator is willing to find out more about. The study's target population consisted of 80 employees from the transportation, warehouse, and finance departments. The researcher concentrated on these functional domains (cost control) since they are better familiar with the variables being studied in this specific field of inquiry.

## 3.4 Sample and Sampling Techniques

Samples are often used to represent the entire population because it was difficult to handle every element because of the large population size. To put it another way, a sample size must be determined. Sample size is the portion of a desired audience chosen to serve as a delegate of the entire population (Lakens, 2022). The number of workers that was used in a study is known as the sample size. This sample is meant to give insight into the makeup of the target population as a whole. Therefore, for this reason, the researcher distributed 37 questionnaires. As suggested by Kothari (2004), that a sample including at least of 10% of the intended population serves as an adequate proxy for the population. Selecting some members of the population to be targeted is the process of sampling for a research project, according to Taherdoost (2021). Probability sampling and non-probability sampling are the two categories of sampling procedures. According to Cooper and Schlinder (2014), probability sampling is a sampling technique that guarantees that each individual in the population at large has an equal probability of getting selected. Among other things, probability sampling involves stratified, systematic, and random sampling. When non-probability sampling is used, the possibility of selection for every an individual in the population is unknown. Cooper and Schlinder (2014) cite convenience sampling and judgmental sampling as two instances of non-probability techniques. In the research investigation, the researcher employed the subsequent sampling technique:

## 3.5 Judgmental / Purposive Sampling

To select a sample of respondents, the researcher employed the judgmental sampling method. Purposeful sampling is one type of non-probability sampling approach. The researcher was able to choose respondents who understood the goal of the study and possessed the necessary expertise thanks to purposeful sampling. Workers in the fields of transportation, warehousing, and accounting and finance were selected for this study's questionnaire due to their responsibility and familiarity with the costs that an organization faces.

## 3.6 Data Collection Methods / Research Instruments

To answer such important research questions, information must be gathered through data collection. Sukmawati (2023) defined research instruments as the means by which a researcher gathers information from their intended audience. On the other hand, research instruments are defined by Soares (2012) as the methods for gathering data that will be combined with other information for analysis. Mligo (2016), however, made a suggestion that research instruments include whatever methods the investigator employs to obtain information from the field or an additional study site. Information was gathered by the researcher through self-administered questionnaires on the research problem.

### 3.6.1 Questionnaires

A research instrument called a questionnaire is used to collect information from people or organizations by posing a predetermined series of questions, according to Taherdoost (2021). A series of inquiries or other stimuli intended to extract information from a responder make up a questionnaire, which is a research tool (Bhat, 2019). Because of the way the questionnaire is constructed, people can express their opinions and select how they want to respond (Cohen, Manion, Morrison, & Morrison, 2007). It was decided to employ self-administered questions. In a self-administered questionnaire, every participant is presented with identical questions and response alternatives. Self-administered questionnaires were chosen because they are less costly, take less time, and allow for more detailed data because responders are guaranteed confidentiality. Questionnaire provided respondents with extensive information; this is because the instrument offers privacy protection. Because respondents completed the questionnaire at their own speed and convenience, the method further increased the possibility of anonymity (Bryman and Bell, 2007).

However, questionnaires was not the best instrument the respondents whom the questionnaires was issued were reluctant to participate and it resulted to low return. This was due to the promotion of anonymity when using questionnaires. In addition participants were biased when they answered the questions. The investigator tried to reduce the limitation by explaining to the respondents the reasons of conducting the study and the benefits of the research to them and the researcher.

An introduction letter outlining the subject of the study, guaranteeing anonymity as well as recognizing the researcher was included with the questionnaire. The respondents' background information and demographics, including their sex, age, level of education, and length of service with the company, were included in Section A of the questionnaires. The questions in Section B were all about the goals of the research. The Likert scale used for the items was uniform, with 1 denoting strong agreement and 4 denoting strong disagreement. Respondents chose the most appropriate number that corresponded with their level of agreement with given statements. The questionnaire was designed in English considering the fact that it was administered to professionals who understand the problem in question. The researcher made use of simple questions.

## 3.7 Types of Data

Primary and secondary data are the two types of data sources.

### 3.7.1 Primary Data

Primary data is defined by Hox and Boeiji (2013) as information gathered directly from the source by the researcher and related to the subject of the research. Using questionnaires, the researcher gathered data from respondents in order to compile novel study. One benefit of using primary data is that it has not been vetted by a second party, making primary sources the most authoritative (Cooper & Schindler, 2013).

### 3.7.2 Secondary Data

Collins and Hussey (2014) state that secondary data is information gathered from already-existing sources like publications, internal documents, or databases. It can be accessed online or in paper copy. Information obtained from secondary sources is information that has been gathered by others with objectives that may differ from the current goal. But because primary sources are more authoritative than secondary ones, the researcher chose to employ primary methods instead of secondary sources while gathering data. Thus, it can be observed that the researcher employed primary sources to gather data for this research. The researcher collected data using questionnaires that where administered directly to selected respondents from Calundike Exports Pvt Ltd.

## 3.8 Data collection procedures

Wegner (2001) provides a list of techniques for gathering data for statistical analysis, such as questionnaires, in-person observations, interviews, and experiments. In addition to explaining how participants were to answer the questionnaires and stressing the significance of the research study outcomes, the researcher personally distributed the questionnaires. After the researcher waited a reasonable amount of time to collect the answered questionnaires, the questionnaires were collected that same day.

## 3.9 Data Validity and Reliability

Validity, as defined by Cohen et al. (2017), is the degree to which a measurement tool or research study accurately captures or measures what it is designed to capture. Data dependability and validity have been employed by researchers as quantification methods (Heffner, 2014). Noble (2015) implied that the two are measurements used for assessing different instruments employed by the investigator in an attempt to reduce bias and error, which supported this point of view.

### 3.9.1 Validity

Heffner (2014) defined validity as the extent to which a research instrument collects data in accordance with the plan. According to Noble (2015), validity is the adherence to the applied research model. Validity reveals the true nature of the data and the perceptions of the research topic held by the target population. Additionally, department heads, whose only responsibility is to act in the company's best interest and hence cannot provide false information, are the source of legitimate data when it comes to day-to-day operations decisions.

### 3.9.2 Reliability

The rationality among the ideas of the research approach is what determines reliability. It is the characteristic that, when applied to a comparable situation, causes the study model to produce same results (Noble, 2015). Data reliability was defined by Mackinney (2012) as the degree to which an evaluation tool yields steady and consistent outcomes. According to Thanasegaran (2012), a measure of data reliability is the amount of error-free data required to get accurate results. Consequently, validity of requires reliability (Venkatesh, Brown and Bala 2013). The descriptive study design was employed to guarantee the data's dependability, enabling the researcher to get pertinent data on actual occurrences regarding the impact of cost management on organizational performance. The finance department served as the researcher's target audience, and primary data was also used to assure reliability.

## 3.10 Data Analysis and Presentation Techniques.

Data analysis is a way of gathering, modelling and transforming the data so that it can give a meaningful information to the users (Ader & Mellenbergh, 2008). In this study, quantitative data were gathered and quantitative analyses of the data criteria were applied. The data collection and analysis were conducted using the Statistical Package for Social Sciences (SPSS). In order to verify that the information gathered from the field was accurate, the researcher employed descriptive statistics to analyze the data, including frequencies, percentages, and also simple linear regression was employed to test the relationship between the variables. Tables and graphs were used to present the data.

## 3.11 Ethical Consideration

According to Cooper and Schinder (2003), ethics are standards or rules of behavior that direct moral judgments regarding a particular behavior and relationship with others. The ethics of a research plays a significant role in negotiating access to respondents and organisation when collecting data (Saunders, et al, 2007). Ethics ensures that there is no harm or negative consequences that may arise from the research activity. A number of ethical considerations that must be made when doing research include participant responsiveness, privacy issues, secrecy, preventing participant injury, transparency, and truthful reporting of the results. Saunders et al., 2009).

Throughout the investigation, the researcher was able to take appropriate ethics into account. In order to make sure that no improper Information was obtained via compulsion or manipulation, and respondents' agreement was sought. All study-related information was used for the intended purpose, and participants were given notice of it, to guarantee transparency in the research. The researcher developed a cover letter that was sent to an organisation that allowed participants the right to decline or discontinue participation. Additionally, the researcher made an effort to ensure there were no abusive or deceptive questions, as this might have been unethical and jeopardized the integrity of the research transparency. Finally, the researcher adhered to the aforementioned ethical issues to ensure the success of the research project and provided all data obtained from the study honestly.

## 3.12 Summary

This chapter examined the study design, which is a survey, and the research methods. The sample process, data gathering techniques, and employed research instruments are also covered in this chapter. Questionnaires were employed in the process of gathering data. The methods for data analysis are outlined in this chapter. By analysing the variables under investigation using a descriptive method, the researcher was able to make sense of the data. The researcher's methods for ensuring the chapter also guarantees the data's quality and dependability. The following chapter will address data analysis and presentation.

**CHAPTER IV**

**DATA PRESENTATION AND ANALYSIS**

## 4.0 Introduction

In order to provide a precise conclusion on the study objectives, the chapter focuses on the presentations that include analyses, interpretations, and assessments of the data that the investigator collected. Utilizing questionnaires, the study's data was obtained from Calundike Exports Pvt Ltd. The principal aim of this research was to examine the impact of cost control and their relationship to profitability. The first section of this chapter discusses the rate of response and employs the three research goals to examine the data. The results were displayed using tables and graphs, and they were assessed using a simple linear regression analysis.

## 4.1 Response Rate

Calundike Exports Pvt Ltd was the subject of the study. The investigator distributed 37 questionnaires. The questionnaire rate for response is displayed below:

**Table 4.1: Questionnaire response rate**

|  |  |  |
| --- | --- | --- |
|  | **Number** | **%** |
| Distributed questionnaires | 37 | 100 |
| Returned Questionnaires | 37 | 100 |

**Source: Primary data 2024**

As can be seen in Table 4.1 above, all of the questionnaires that were sent out had a 100% response rate. A 50% response rate is appropriate for analysis, a 60% response rate is good, and a 70% response rate or higher is exceptional, (Mugenda 2008). This implies that the researcher has a very high response rate which is sufficient enough when it comes to study evaluation.

## 4.2 Reliability Test

Using the SPSS program, the researcher calculated each data set's Cronbach's Alpha to conduct a reliability test. Because the Likert scales varied according on the type of variable, it was not possible to test every item on the questionnaire at once. Each data set's Cronbach's Alpha fell between 0.6 and 0.8. Smith et al. (2011) stated that a minimum coefficient of 0.6 was appropriate, particularly for variable elements with values less than 10.

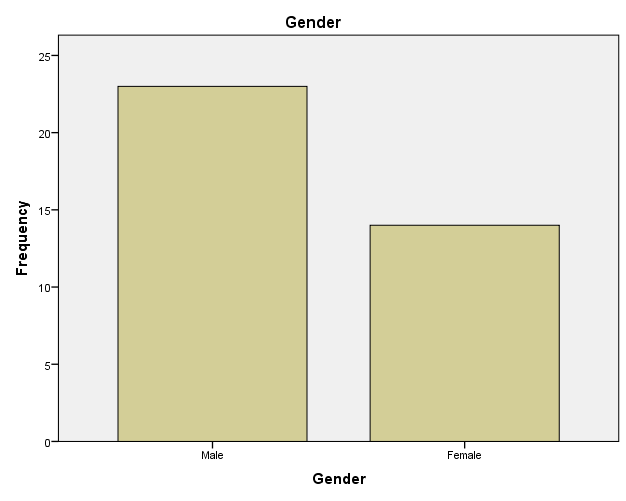
## 4.3 Demographic Information

A researcher must analyze the demographic data that is provided by respondents since it can validate and support the information participants provide regarding the study's goals. The participants' age, gender, degree of education, and work experience, as well as other demographic information, caught the researcher's attention.

## 4.4 Gender of Respondents

**Table 4. 2: Gender**

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **Gender** | | | | | |
|  | | Number | % | Valid % | Cumulative % |
| Valid | Male | 23 | 62.2 | 62.2 | 62.2 |
| Female | 14 | 37.8 | 37.8 | 100.0 |
| Total | 37 | 100.0 | 100.0 |  |



**Source: Primary data 2024**

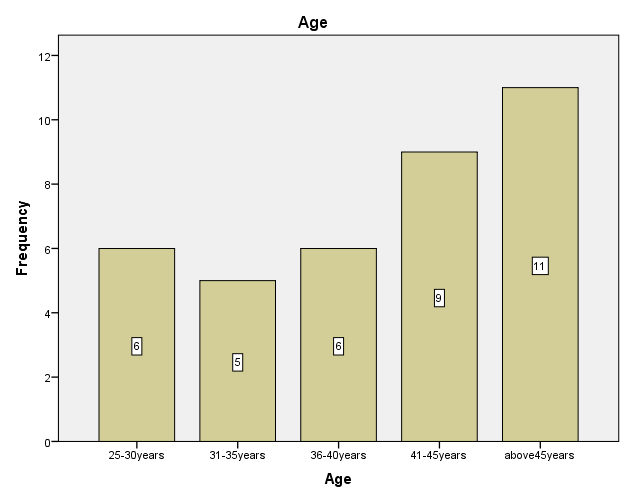
**Figure 4.1: Response to Gender**

The results clearly showed that men constituted a greater proportion of Calundike Exports Pvt Ltd responses, with 23 (62.2%) of respondents being male and 14 (37.8%) being female. Even though men made up the majority of responders, it's important to keep in mind that Calundike Exports provides equal job chances. Therefore, stereotypes or discrimination against women in the workplace have no bearing on the study's conclusions about gender imbalance.

## 4.5 Age of respondents

**Table 4. 3: Age**

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **Age** | | | | | |
|  | | Number | % | Valid % | Cumulative % |
| Valid | 25-30yrs | 6 | 16.2 | 16.2 | 16.2 |
| 31-35yrs | 5 | 13.5 | 13.5 | 29.7 |
| 36-40yrs | 6 | 16.2 | 16.2 | 45.9 |
| 41-45yrs | 9 | 24.3 | 24.3 | 70.3 |
| above45yrs | 11 | 29.7 | 29.7 | 100.0 |
| Total | 37 | 100.0 | 100.0 |  |



**Source: Primary data 2024**

**Figure 4.2: Response to Age**

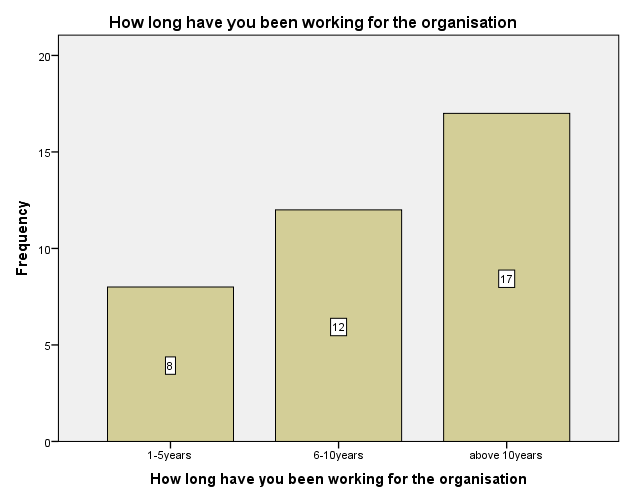
The results indicate that 37 respondents were the study's primary target group. Eleven (29.7%) of the sample's workers are above 45, followed by those between 41 and 45. Ages 36 to 40 and 25 to 30 made up 16.2% and 13.5% of the responses, respectively, while those between the ages of 31 and 35 made up 9.3%. It may be inferred from the outcomes that most of participants were older than 45. These participants were able to give correct responses in so far as this research is concerned because of their maturity.

## 

**4.****6 Work Experience of respondents**

**Table 4. 4 Work Experience of responden**ts

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **Work Experience of respondents** | | | | | |
|  | | Number | % | Valid % | Cumulative % |
| Valid | 1-5years | 8 | 21.6 | 21.6 | 21.6 |
| 6-10years | 12 | 32.4 | 32.4 | 54.1 |
| above 10years | 17 | 45.9 | 45.9 | 100.0 |
| Total | 37 | 100.0 | 100.0 |  |



**Source: Primary data 2024**

**Figure 4.3: Response to work experience**

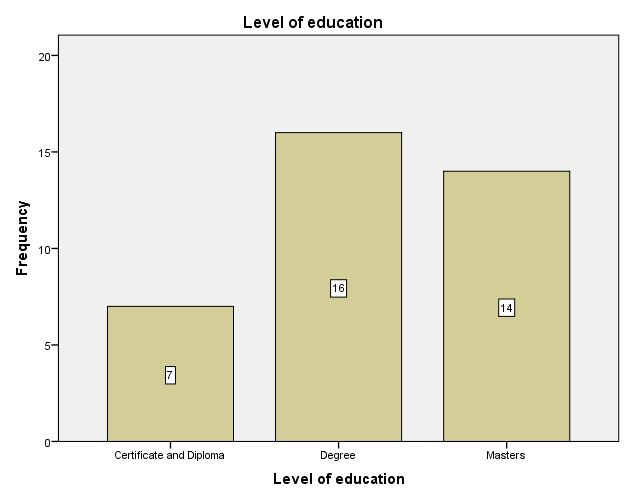
Results show that 17 respondents (45.9%) have more than ten years of experience, ahead of 12 (32.4%) who have six to ten years of experience and 8 (21.6%) who have one to five years of experience. This demonstrated that, because the research gathered data from many years of experience, it represented the opinions of people with differing levels of experience working at Calundike Exports Pvt Ltd. Given that the majority of responders had been employed by the company for a longer amount of time, it appears that the data collected was quite accurate. Ziwewe (2022), provided evidence for this claim, stating that individuals with long employment in the same company had a greater understanding of specific concepts. As such, these seasoned professionals are well-versed in cost reduction from all aspects.

## 

**4.7 Education of respondents**

**Table 4. 5 Level of education of respondents**

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **Level of education** | | | | | |
|  | | Number | % | Valid % | Cumulative % |
| Valid | Certificate and Diploma | 7 | 18.9 | 18.9 | 18.9 |
| Degree | 16 | 43.2 | 43.2 | 62.2 |
| Masters | 14 | 37.8 | 37.8 | 100.0 |
| Total | 37 | 100.0 | 100.0 |  |



**Source: Primary data 2024**

**Figure 4.4: Response to educational qualifications of the respondents**

According to the results, a sizable portion of respondents 43.2% of the sample have a bachelor's degree. Master's degree holders 37.8%and diploma holders 19% follow. This suggests that highly skilled people make up the majority of Calundike Exports' staff. This implies that the majority of the workforce is educated. This was supported by Bwititi (2021), who stated that employees who have obtained pertinent education usually perform better at work because it is directly related to their field of study. For this survey, a significant proportion of respondents with a bachelor's degree or more was required. This resulted from the belief that respondents with more education could relate to and comprehend various aspects of the expense control procedure more easily.

**4.8 Findings on the relationships between cost control techniques and profitability**

In this part, linear regression was used to assess the link between the dependent variable (profitability) and the independent variables (cost control strategies). The table below presents the study's findings.

### 4.8.1 Objective one; To look into how Calundike Exports Pvt.'s profitability is affected by budget control.

**Table 4.6 Regression analysis model on how profitability is affected by Budget control.**

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
| **Model Summary** | | | | | | | |
| Model | R | | R Square | Adjusted R square | | Std error of the estimate | |
| 1 | .504a | | .254 | .133 | | .772 | |
| **ANOVA** | | | | | | | |
| Model | Sum of squares | | Df | Mean square | | F | Sig |
| Regression | 6.278 | | 5 | 1.256 | | 2.106 | 0.002b |
| Residual | 18.479 | | 31 | .596 | |  |  |
| Total | 24.757 | | 36 |  | |  |  |
| **Coefficientsa** | | | | | | | |
| Model | | Unstandardized coefficients | Std Error | Standard coefficients Beta | T | | Sig. |
| (Constant) | | 3.009 | .712 |  | 4.228 | | 0.000 |
| 1. The necessary materials are effectively budgeted for. | | 0.000 | 0.286 | 0.000 | -0.001 | | 1.000 |
| 2. The initial cost establishment is being effectively monitored. | | .107 | .197 | .089 | .545 | | .590 |
| 3. There is a responsible budgeting system. | | -.420 | .187 | -.350 | -2.247 | | .032 |
| 4. The daily operations have a well-planned budget. | | .293 | .137 | .352 | 2.139 | | .040 |
| 5. Prior to production, the manufacturing expenses are ascertained | | -.090 | .253 | -.061 | -.356 | | .724 |

**Source: Primary data 2024**

a. Predictors: (Constant),

1. The necessary materials are effectively budgeted for.

2. The initial cost establishment is being effectively monitored.

3. There is a responsible budgeting system.

4. The daily operations have a well-planned budget.

5. Prior to production, the manufacturing expenses are ascertained

b. Dependent Variable: Profitability

Results of the regression analysis in the Model Summary table showed that budget control was responsible for 25.4% of Calundike Exports Limited's profitability. An r-squared of 0.254, which indicates that budget control contributes 25.4% of the Corporation's profitability, served as evidence for this. Because of this, the model has a high explanatory power, suggesting that the variables it includes are reliable indicators of profitability. The profitability of Calundike Exports is demonstrated by a coefficient value of 0.712 and a p-value of.000, respectively, indicating that the calculated parameters, particularly budget control as shown in the coefficients table above, are found to be good and statistically significant. The results related to this variable are consistent with the research conducted by Mamidu and Akinola (2021) and Ayorinde (2021). The ANOVA table's findings showed that profitability is significantly impacted by budget control. The F-value of 2.106 and the Sig-value of 0.002, this is the greatest degree of importance needed to declare an impact of 0.05, served as evidence for this. These results corroborated those of Bamwesigye (2019), who said that the greatest level of significance needed to proclaim a significant effect was reached when the sig. value was less than 0.05.Profitability and starting cost establishment have a systematic relationship that is successfully managed, as shown by the standard beta of.089 and the sig value of.590. These results demonstrate the usefulness of keeping an eye on the initial cost establishment when determining profitability. A weak correlation between determining the manufacturing costs prior to production and profitability is indicated by the standardized beta of -.350. These results concurred with Yushang et al.'s (2020).

### 4.8.2 Objective two; to investigate how manufacturing organizations' profitability is affected by cost allocation.

**Table 4.7 Regression analysis model on how manufacturing organizations' profitability is affected by cost allocation.**

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
| **Model Summary** | | | | | | | |
| Model | R | | R Square | Adjusted R square | | Std error of the estimate | |
| 1 | .558a | | .311 | .200 | | .742 | |
| **ANOVAa** | | | | | | | |
| Model | Sum of squares | | Df | Mean square | | F | Sig |
| Regression | 7.701 | | 5 | 1.540 | | 2.799 | .034b |
| Residual | 17.056 | | 31 | .550 | |  |  |
| Total | 24.757 | | 36 |  | |  |  |
| **Coefficientsa** | | | | | | | |
| Model | | Unstandardized coefficients | Std Error | Standard coefficients Beta | T | | Sig. |
| (Constant) | | 2.129 | .453 |  | 4.703 | | .000 |
| 1. Unit costs are effectively determined at operational levels. | | .309 | .149 | .391 | 2.069 | | .047 |
| 2. The organizational standing is sufficient to direct the course of cost applications. | | -.091 | .132 | -.111 | -.690 | | .495 |
| 3. The management team assesses the effectiveness and efficiency of the expenses that are assigned. | | .100 | .154 | .126 | .653 | | .518 |
| 4. For efficiency, there is a mechanism for efficient cost tracking. | | -.091 | .137 | -.111 | -.666 | | .511 |
| 5. The management offers channels and a timeline for the expenses allocated. | | .222 | .139 | .254 | 1.601 | | .119 |

**Source: Primary data 2024**

a. Predictors: (Constant),

1. Unit costs are effectively determined at operational levels.

2. The organizational standing is sufficient to direct the course of cost applications.

3. The management team assesses the effectiveness and efficiency of the expenses that are assigned.

4. For efficiency, there is a mechanism for efficient cost tracking.

5. The management offers channels and a timeline for the expenses allocated.

b. Dependent Variable: Profitability

R-Value illustrates the relationship in cost allocation and profitability in the above table. This instance, the value is 0.558, which is satisfactory. Additionally, the model summary displays an r-square value of 0.311, a statistical indicator of fit. Accordingly, an R2 of 0.311 implies that cost allocation accounts for 31.1% of the variation in profitability, with the remaining 68.9% remaining unexplained and possibly attributable to additional elements not represented in the model. The coefficients table indicates that cost allocation has a significant effect on Calundike Exports Pvt Ltd's profitability. When standard error is included, the coefficient value is 0.453, and the p-value is 0.000. These results are in line with earlier studies by Bamwesigye (2019) and Suleiman et al. (2023), which similarly discovered a statistically significant and somewhat positive association between cost allocation and profitability. The ANOVA table's results indicated that cost allocation greatly influences profitability. The Sig-value of 034 and the F-value of 2.799 both supported this. In order to attain profitability, unit costs are effectively established at operational levels, as indicated by the standardised beta of 0.391, which indicates a small significance (0.047). The profitability is significantly impacted by the channels and timetable that the management provides, as shown by a uniform beta of 0.254 and a sig level of 0.119.

### 4.8.3 Objective three; to determine how cost monitoring and control affect profitability

### Table 4.8 Regression analysis model on how cost monitoring and control affect profitability

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
| **Model Summary** | | | | | | | |
| Model | R | | R Square | Adjusted R square | | Std error of the estimate | |
| 1 | .339a | | .115 | -.028 | | .841 | |
| **ANOVAa** | | | | | | | |
| Model | Sum of squares | | Df | Mean square | | F | Sig |
| Regression | 2.838 | | 5 | .568 | | .803 | .556b |
| Residual | 21.918 | | 31 | .707 | |  |  |
| Total | 24.757 | | 36 |  | |  |  |
| **Coefficientsa** | | | | | | | |
| Model | | Unstandardized coefficients | Std Error | Standard coefficients Beta | T | | Sig. |
| (Constant) | | 2.598 | .627 |  | 4.147 | | .000 |
| 1 Your company has a proficient cost monitoring staff. | | .205 | .147 | .264 | 1.394 | | .173 |
| 2. An efficient evaluation of the organization's cost requirements is conducted. | | .018 | .162 | .020 | .109 | | .914 |
| 3. Stakeholder positions on cost allocation are well-established. | | -.068 | .160 | -.087 | -.422 | | .676 |
| 4. The company uses systems for efficient operations and cost management. | | .132 | .176 | .135 | .751 | | .459 |
| 5. This organization's management effectively controls costs. | | -.097 | .145 | -.134 | -.673 | | .506 |

**Source: Primary data 2024**

a. Predictors: (Constant),

1. Your company has a proficient cost monitoring staff.

2. An efficient evaluation of the organization's cost requirements is conducted

3. Stakeholder positions on cost allocation are well-established.

4. The company uses systems for efficient operations and cost management.

5. This organization's management effectively controls costs.

b. Dependent Variable: Profitability

The result of regression analysis is the model. The explanatory power of the summary table was found to be low, indicating that the independent variable (cost monitoring and control) accounted for a relatively small percentage of the variation in profitability. These outcomes align with those of Oluwayemisi et al. (2022), who also arrived at similar conclusions. The comparatively poor association between profitability and cost monitoring and control is explained by the r-squared value of 0.115. Although the magnitude of the coefficient (.264) suggests a relatively small effect and the significance value of.173 is greater than the typical level of 0.05 which suggests the observed correlation between the two variables is not statistically significant, your company's staff demonstrates a standard coefficients Beta of.264 and a sig value of.173, meaning that a positive beta shows a positive relationship between a company having a proficient cost monitoring and the profitability. The corporation employs systems for cost management and efficient operations, which also demonstrate that they don't have a statistically significant link, with significant values of.459 and.914, respectively. An effective appraisal of the company's expense requirements is carried out. The organization's management successfully controls costs, and stakeholder positions on cost allocation are well-established. These factors have negative standardized betas of -.422 and -.673, respectively, indicating a negative the correlation between the independent and dependent variables under consideration. Our results corroborated those of Suleiman et al. (2023), who discovered that finance costs and changes in material costs as a function of cost reduction had an adverse and statistically negligible impact on profitability.

## 4.9 Chapter Summary

A thorough examination of the research findings, including summary statistics, interpretation and analysis according to the study's objective, was provided in this chapter. The results were analyzed and summarized using regression analysis. The results were also presented throughout the chapter using tables and graphs. The upcoming chapter will concentrate on summarizing the results, making inferences, and presenting suggestions in light of the study's findings.

**CHAPTER V**

**SUMMARY OF FINDINGS, CONCLUSIONS AND RECOMMENDATIONS**

## 5.0 Introduction

This chapter examines the summary of the research study, the conclusions of the data analysis and research findings, and the recommendations made by the researcher for what other researchers and businesses can do to control costs and ultimately maximize profits.

## 5.1 Discussions

Three specific objectives guided this research: to examine how control budget affects Calundike Exports Pvt.'s profitability; to examine how cost allocation affects manufacturing organizations' profitability; and to ascertain how cost monitoring and control affect profitability. The goal of this study was to determine the relationship between cost control measures and profitability in Calundike Exports Private Limited Company.

## 5.2 Summary of Findings

The overall objective of the study was to assess the impact of cost control measures on profitability.

The study revealed that:

### 5.2.1 Objective one; to look into how Calundike Exports Pvt.'s profitability is affected by budget control

I) The findings demonstrate that budget control significantly affects the profitability, well planned budget for daily operations being the key driver of profitability as it have a significant positive impact on profitability. This indicates that well planned budget for daily operations leads to increased profitability.

ii) Responsible budgeting system has a significant negative impact on profitability.

iii) Predictors (1,2and 5) was found to have no significant impact on the profitability.

iii) These findings highlight the importance of effective budget control in improving profitability.

### 5.2.2 Objective two; to investigate how manufacturing organizations' profitability is affected by cost allocation.

I) the results on the regression model reveal that cost allocation has a significant impact on manufacturing organizations' profitability, Therefore the model finds that accurate determination of unit costs at operational levels is a key driver of profitability in manufacturing firms.

ii) On all other variables the organizational status is adequate in guiding the direction of cost applications, the management team assesses the effectiveness and efficiency of the expenses that are assigned, for efficiency, there is a mechanism for efficient cost tracking and the management offers channels and a timeline for the expenses allocated findings suggest that the predictors has low impact on profitability except for variables 2 and 4 which tend to have negative impact.

### 5.2.3 Objective three; to determine how cost monitoring and control affect profitability

I) the findings shows that cost monitoring and control do not have a significant impact on profitability. This suggests that cost monitoring and control may not be primary drivers of profitability, and other factors may be more important.

ii) All variables have no significant impact on profitability.

## 5.3 Conclusion

From the results of the study it can be concluded that:

### 5.3.1 Objective one; to look into how Calundike Exports Pvt.'s profitability is affected by budget control

The results show that budget control significantly affects Calundike Exports Pvt Ltd's profitability. Considering budgetary control has a significant impact on manufacturing firms' profitability, strengthening budgetary controls is necessary to increase profitability. According to the findings, budget control is a crucial component of financial management and that a company that has good budget control may maximize its resources, cut expenses, and raise overall profitability.

Also, study’s findings

### 5.3.2 Objective two; to investigate how manufacturing organizations' profitability is affected by cost allocation.

The results show that cost allocation significantly increases a manufacturing firm's profitability. Therefore, cost allocation has a significant impact on manufacturing firms' profitability. Specifically the model identified one significant predictor of profitability thus, effective determination of unit costs at operational levels. This indicates that manufacturing companies should implement efficient cost tracking mechanism.

### 5.2.3 Objective three; to determine how cost monitoring and control affect profitability

According to the findings cost monitoring has a weak positive significant effect on profitability of Calundike Exports Pvt Ltd. Therefore cost monitoring has a bearing on the profitability hence there is need for enhancing monitoring given the state of the profits though other factors complemented in the study.

## 5.4 Recommendations

5.4.1 Responsible Budgeting System: Calundike Exports Pvt should establish a responsible budgeting system to ensure that budgets are realistic, achievable, and aligned with business objectives.

5.4.2 Well-Planned Budget for Daily Operations: The Company should ensure that daily operations have a well-planned budget to minimize costs and maximize profitability.

5.4.3 Regular Budget Review and Assessment: The Company should regularly review and assess its budget control systems to ensure they are effective and efficient.

5.4.4 Employee Training and Development: The Company should provide training and development opportunities for employees to enhance their skills and knowledge in budget control and management.

5.4.5 Accurate Unit Cost Determination: Manufacturing organizations should establish a robust system to determine unit costs accurately at operational levels.

5.4.6 Cost Allocation Framework: Organizations should develop a comprehensive cost allocation framework to ensure that costs are allocated efficiently and effectively.

5.4.7 Regular Cost Tracking: Organizations should establish a mechanism for regular cost tracking to monitor and control costs effectively.

5.4.8 Management Oversight: The management team should regularly assess the effectiveness and efficiency of cost allocation to ensure that costs are allocated in a way that maximizes profitability.

5.4.9 Cost Monitoring and Control Systems: While cost monitoring and control may not be significant drivers of profitability, it is still essential to have effective systems in place to monitor and control costs.

5.4.10 Efficient Cost Allocation: The organization should ensure that costs are allocated efficiently and effectively to maximize profitability.

5.4.11 Regular Review and Assessment: The organization should regularly review and assess its cost monitoring and control systems to ensure they are effective and efficient.

* 1. **Suggestions for further Studies**

5.5.1 Conducting a research study which include large population so that the results can be compared with the ones from this study. Further studies can be done in other companies in different sectors so that we check whether other organizations are affected the same way as those in Calundike Exports Pvt Ltd.

5.5.2 Other researchers can try to look on other Cost control measures which were not included in this research such as inventory management, efficiency improvements just to mention a few

5.5.3 Other researchers can study in other variables like technology and internal factors such as organizational culture to assess how they affect profitability of an entity.

**Reference list**

(ICSI), I. O. (2013). *Cost Accounting and control.* New Delhi: <https://www.icsi.edu> assessed on 10 December 2023.

104-109.

Abdul, A. & Isiaka, T. A. (2015). Relationship between cost management and profitability: A study of selected Manufacturing firms. *International Journal of Management Sciences and Humanities, 3*(1), 33-45

Abor, J. (2022). The effect of capital structure on firm performance: evidence from Ghana. The Journal of Risk Finance, 23(4), 56-75.

Ader, H. J., & Mellenbergh, G. J. (2008). Advising on research methods: A consultant's companion. Johannes van Kessel Publishing.

Agbloyor, E. K. (2012) *Financial Markets and Foreign Direct Investment in Africa*, University of Ghana, Accra, Ghana.

Akenbor, C.O. and Agwor, T.C., (2015) *Standard Costing and Cost Control in Nigerian Oil and Gas Industry,* Journal of Modern Accounting and Auditing, 11(4), 185-193.

Anderson, J., & Sharma, P. (2020). The growing need for cost reduction and resource management in organizations. Journal of Business Strategy, 41(3), 45-52.

Ayorinde, A. O. (2021). Cost control and financial performance of pharmaceutical firms in Nigeria. *Journal of Corporate Finance Management and Banking System, 1*(1), 16-25.

Bamwesigye, R. (2019): Cost control techniques and profitability in manufacturing firms in western Uganda: A Case study of Gourmet Burger Kitchen G.B.K group of companies Ltd in mbarara Municipality

Bendney, R. C., & Coiston, J. N. (2015). Small Business Management: Entrepreneurship and Beyond (7th ed.). Houghton Mifflin.

Bhat, A. (2019). Questionnaire: Definition, Examples, Design and Types. Question Pro. Available at <https://www.questionpro.com/blog/questionnaire/> Accessed on 12 January 2024

Bryman, A., & Bell, E. (2007). Business research methods. Oxford University Press.

Burns and Groove (2003). *“Research design and methodology”* Available at [www.gobookee.org/get-book](http://www.gobookee.org/get-book) , Accessed 1 November 2023

Bwititi, K. (2021). The Relationship between Education and Job Performance. The Balance Careers.

Casteel, A., & Bridier, N. L. (2021*). Describing populations and samples in doctoral student research.* International Journal of Doctoral Studies, 16(1).

Claire, B and Smith, H. (1997). *Fundamentals of Social Research Methods*. Juta Company Ltd. Lusaka

Cohen, L., Manion, L., & Morrison, K. (2017). Validity and reliability. In Research methods in education (pp. 245-284). Routledge.

Cohen, L., Manion, L., Morrison, K., & Morrison, K. R. B. (2007). Research methods in education. Routledge.

Constance, H. (2010). Direct and Indirect Costs Management in Commercial Enterprises.

Constantinides, C. S. (2013) Enterprise resource planning system's impact on accounting processes, Business Process Management, no. 2.

Cooper, D.R and Schindler, P.S (1998*), Business Research Methods*. McGraw Hill. Singapore

Cooper, R., & Kaplan, R. S. (2019). The design of cost management systems: Text, cases, and readings. Prentice Hall.

Danladi, C. (2012). Management of Costs in Business. California: State Press Service.

Don, R.B., & Maryanne, P. (2006). The Basics of Business Administration. *Merrill Prentice Hall.*

Drury, C. (2018). Management and Cost Accounting. Cengage Learning EMEA.

Drury, C. (2019). Management and cost accounting. Cengage Learning.

Ecoman-Competence and Training. (2011).The necessity for budgetary restrictions: A thorough analysis. Ecoman Publishing.

Garrison, R. H., Noreen, E. W., & Brewer, P. C. (2021). Managerial Accounting (17th Ed.). McGraw-Hill.

Green, J. (2022). Operations Research and Management Science. Available at <https://www.investopedia.com/terms/o/operations-research>. Accessed on 21 December 2023

Hamilton, B. H. (2010). The Role of the Internet in Firm Market Behavior. In Internet and Digital Economics (pp. 351-372). Cambridge University Press.

Hammand, M. and Wellington, J. (2013) Research methods the key concepts, Abingdon Oxon: Routledge.

Hoffman, A., & Cashin, J. (2021). Budgetary control and its role in strategic decision-making. Journal of Business Finance & Accounting, 18(4), 211-232.

Horngren, C. T., Datar, S. M., & Rajan, M. V. (2022). Cost Accounting: A Managerial Emphasis. Pearson.

Hox, J.J. and Boeiji, H.R. (2013) *Data Collection, Primary vs. Secondary,* University of Utrecht, Utrecht, Netherlands

Huntington-Klein, N. (2021). *The effect: An introduction to research design and causality.* Chapman and Hall/CRC.

*International Journal of Research Publication and Reviews*, Vol 4, no 5, pp 5234-5240

Jain, N. (2021). Survey versus interviews: Comparing data collection tools for exploratory research. The Qualitative Report, 26(2), 541-554.

Jensen L and Meckling N (2006). What is cash management? Malcolm Tatum Edited by Bronwyn Harris.

Jensen, M. (2010). Agency costs of free cash flow, corporate finance, and takeovers". American

Joreme, C. (2011). Bank on it: Managing Your Cash flows. Retrieved March 20, 201 1 

Joreme, P. (2011) Financial Management: Theory and Practice 7th published by McGraw Hill.

*Journal of Management and Social Sciences Research* (IJMSSR), 2(4), 1-7.

Kellerman, D. (2010). Unveiling the Root Causes of Poor Costs Management in Commercial

Kennerley, M. Neely, A. (2003). Measuring Performance in a changing Business Environment. International Journal of Operations & Production Management. 23(2).213-229

Kenton, W. (2022). Cost Control. Investopedia <https://www.investopedia.com/terms/c/cost-> control.asp accessed December 2023.

Kinney, M. R., & Raiborn, a. A. (2011). *Cost Accounting Foundation and Evolutions.* London: Cingage Learning

Kong, Y., Chipwere, W. & Adu-Gyamfi.J (2020)the Impact of Cost Control Strategies on Companies’ Performance and Growth: Evidence from Some Selected Companies in Zimbabwe *International**Journal of Management Sciences and Business Research*, Jan-2020 ISSN (2226-8235) Vol-1

Kothari, M. (2004) Research methodology (methods and techniques). New Delhi: New Age International (P) ltd publishers

Kotole Edward. (2011). Performance management. London: Kapalan publishing UK.

Lakens, D. (2022). *Sample size justification*. Collabra: psychology, 8(1), 33267.

Lazaridis, I., & Trifonidis, D. (2014). The relationship between profitability and money management. Journal of Business and Economics, 5(2), 120-135.

Lockey, K. (2002). *Factory and production* (4th Ed.). London: DP Publisher.Mamidu, I. A. & Akinola, A. O. (2021). Cost management and corporate performance in quoted manufacturing companies in Nigeria. The International Journal of Business Management and Technology, 3(5), 79-85.

Mackinney, A. C. (2012). Data reliability: The degree to which an evaluation tool yields steady and consistent outcomes. Journal of Research Methodologies, 15(3), 45-62.

Merchant, K. A., & Van der Stede, W. A. (2017). Management Control Systems: Performance Measurement, Evaluation and Incentives. Pearson Education.

Muse, S., (2021). The relationship between cost management and financial performance in Telecom Companies; Turkey, Egypt & Saudi Arabia. *Press Academia Procedia (PAP), 1*(4), 115-116.

Mutya T (2018) Cost Control: A Fundamental Tool towards Organisation Performance*. J Account Mark 7: 283. Doi: 10.4172/2168-9601.1000283*

Njeri, G.B. (2021) Effect of Cost Management on Financial Performance of Agribusiness Enterprises in Kenya. *International Journal of Agricultural Economics.* Vol. 6, No. 1, 2021, pp. 33-38.

Nwatu, E. C. & Idoko, E. A. (2020). Reducing operating costs and profitability of manufacturing firms in the southeast, Nigeria. *Academic Journal of Current Research, 7*(9), 208-226.

Obafemi,F.J. , & Taiwo,A.(2023) Effect Of Cost Control Techniques on The Survival of Manufacturing Companies in Nigeria *International Journal of Scientific and Management Research*Volume 06 ISSN: 2581-6888 Page: 63-80

Obilor, E. I. (2023). *Convenience and purposive sampling techniques: Are they the same.* International Journal of Innovative Social & Science Education Research, 11(1), 1-7.

Oluwayemisi, A. B., Elkanah, E., Ademola, O., Mathew, O. O., Mamidu A. I. (2022). Cost control and financial performance: an empirical investigation of selected quoted manufacturing firms in Nigeria. *Journal of Accounting and Management, 12*(2), 165-176.

Oluwayemisi, A.B., Elkanah, E., Ademola, O., Mathew, O.O. &Aruna Ishola Mamidu, A.I. (2022).Cost Control and Financial Performance: An Empirical Investigation of Selected Quoted Manufacturing Firms in Nigeria. *Journal of Accounting and Management*

Pagano E and Roell F. (1998) Fundamental of Cost Accounting 5th Edition, India, Viva Books Private Ltd.

Panchal, H., Rathore, R., Pareek, P. & Solanki, C. (2023) Cost control and Cost reduction approaches in Organizational performance by controlling excess finished goods inventory at warehouse*. International Research Journal of Modernization in Engineering Technology and Science*

Pandy, A. (2019). The Primary Objectives of Every Organization. Entrepreneur. Available at <https://www.entrepreneur.com/article/339365> Accessed on 14 December 2023

Process of Organizations. Bucharest: Annales Universitatis Apulensis Series Oeconomica.

Rahman, M. S. (2020). The advantages and disadvantages of using qualitative and quantitative approaches and methods in language “testing and assessment” research: A literature review.

Reen, J. (2013). Conceptualizing Cost Management in Corporate Bodies. Lagos: University of Lagos.

Regina, M. (2012). Online Payment Systems and Cost Reduction. Chicago: SamSam House of Publishers.

Rof, M.L. (2012). Kaizen costing method and its role in the management of an entity. *The Young Economists Journal*, 2(4),

Saunders M, Lewis P and Thornhill A 2012, *Research Methods for Business Students*, Financial Times, Pitman Publishing

Singh, A., & Kapoor, D. (2021). Enhancing organizational and financial discipline through cost management insights. International Journal of Accounting and Finance, 12(2), 75-92.

Siyanbola, T. T. & Raji, G. M. (2013). The Impact of cost control on manufacturing industries’ profitability. *International*

Siyanbola, T. T. & Raji, G. M. (2018). The Impact of cost control on manufacturing industries’ profitability. *International Journal of Management and Social Sciences Research* (IJMSSR), 2(4), 1-7

Smith, J., Jones, M., Houghton, L. and Brown, E. (2011) 'Appropriate minimum coefficient values', Journal of Example Studies, 11(2), pp. 63-76.

Stefania, E. B., and Sgârdea, F. (2009). Cost Management and Cost Control in Decisional

Sukmawati, S. (2023). *Development of quality instruments and data collection techniques*. Jurnal Pendidikan Dan Pengajaran Guru Sekolah Dasar (JPPGuseda), 6(1), 119-124.

Suleiman, I.G., Mustapha, L.O. &Agbi, S.E. (2023) Effect of Cost Control and Cost Reduction on Profitability of Manufacturing Firms in Nigeria: A Case of Nestle Nigeria Plc.

Taherdoost, H. (2021). Data collection methods and tools for research; a step-by-step guide to choose data collection technique for academic and business research projects. International Journal of Academic Research in Management (IJARM), 10(1), 10-38.

Teece, D. J. (2018). Business models and dynamic capabilities. Long Range Planning, 51(1), 40-49.

Thanasegaran, G. (2012). Reliability and Validity Issues in Research. *Semantic Scholar*, 13.

Walton, N. (2013). What Is Research Ethics? *Research Ethics blog*, 45. J*ournal of Economics and Finance*, page 234.

Weaver, M., & Lyons, K. (2020). Leveraging invoice and chargeback data to influence employee behavior. International Journal of Operations Management, 18(1), 23-38.

Welsch, G. A., Hilton, R. W., Gordon, P. N., & Rivera, J. O. (2018). Budgeting: Profit Planning and Control. Pearson.

Ziwewe. N (2022). Why is work experience important to get employed? Available on https://www.thehumancapitalhub.com/articles/Why-Is-Work-Experience-Important-To-Get-[Employed#:~:text=Experience%20teaches%20you%20about%20how,than%20hiring%20so](https://www.thehumancapitalhub.com/articles/Why-Is-Work-Experience-Important-To-Get-Employed#%3A~%3Atext%3DExperience%20teaches%20you%20about%20how%2Cthan%20hiring%20someone%20without%20it) [meone%20without%20it](https://www.thehumancapitalhub.com/articles/Why-Is-Work-Experience-Important-To-Get-Employed#%3A~%3Atext%3DExperience%20teaches%20you%20about%20how%2Cthan%20hiring%20someone%20without%20it)

### 

**Appendix 1: Letter of Approval**

****

Bindura University of Science Education

P. Bag 1020

Bindura

Dear Respondent

**RE: REQUEST FOR RESPONSES ON THE QUESTIONNAIRE**

My name is Timothy Chikonyora, a student at Bindura University of Science Education (BUSE) doing a Bachelor of Accountancy Degree. I am currently undertaking a research entitled **“An analysis on the impact of cost control techniques on Profitability: A case study of Calundike Exports Pvt Ltd.”**

This is being done in partial fulfilment of the requirement of the degree programme. You have been chosen to take part in the research study and you are requested to spare a few minutes of your time to answer the questions presented. I give you an assurance that your responses will be used only for academic purposes and any information provided will be treated with utmost confidentiality.

Your ultimate good faith and cooperation in answering the following questions will be greatly appreciated. If you have any queries or questions, please do not hesitate to contact B203180B on [timmychikonyora@gmail.com](mailto:timmychikonyora@gmail.com) or 0719523961

The Researcher The Respondent

Signature ……………………. Signature………………..

# **Appendix 2: Questionnaire**

**Instructions**

a**) Please respond to all the questions below.**

**b) Respond where applicable by either ticking in the respective answer box or briefly explaining where spaces are provided.**

**c) There are no right or wrong answers hence, please give the response that is closest to your opinion.**

**d) Please note that participation is purely voluntary and withdrawal from participation is at your discretion.**

**e) Please note that all your responses will be treated with strict confidentiality and the study will be used for academic purposes only**

**Section A: Demographic Information (Tick where appropriate)**

1. Gender Male Female
2. Level of education

Certificate and Diploma 

Degree 

Masters 

1. How long have you been working for the organisation?

1 - 5 years 

6-10 years 

Above 10 years 

**4 Age**

|  |  |
| --- | --- |
| 25- 30yrs |  |
| 31- 35yrs |  |
| 36-40yrs |  |
| 41-45yrs |  |
| Above 45yrs |  |

**SECTION B: RESPONSES TO RESEARCH OBJECTIVES AND QUESTIONS**

**Key** 1 Strongly Agree= **SA** 2 Agree= **A** 3 Disagree= **D** 4 Strongly Disagree= **SD**

**BUDGET CONTROL**

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **To look into how Calundike Exports Pvt.'s profitability is affected by budget control.** | **1** | **2** | **3** | **4** |
| 1. The necessary materials are effectively budgeted for. |  |  |  |  |
| 2. The initial cost establishment is being effectively monitored. |  |  |  |  |
| 3. There is a responsible budgeting system. |  |  |  |  |
| 4. The daily operations have a well-planned budget. |  |  |  |  |
| 5. Prior to production, the manufacturing expenses are ascertained. |  |  |  |  |

**COST ALLOCATION**

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **To investigate how manufacturing organizations' profitability is affected by cost allocation.** | **1** | **2** | **3** | **4** |
| 1. Unit costs are effectively determined at operational levels. |  |  |  |  |
| 2. The organizational status is adequate in guiding the direction of cost applications. |  |  |  |  |
| 3. The management team assesses the effectiveness and efficiency of the expenses that are assigned. |  |  |  |  | |
| 4. For efficiency, there is a mechanism for efficient cost tracking. |  |  |  |  | |
| 5. The management offers channels and a timeline for the expenses allocated. |  |  |  |  | |

**COST MONITORING AND CONTROL**

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **To determine how cost monitoring and control affect profitability** | **1** | **2** | **3** | **4** |
| 1 Your company has a proficient cost monitoring staff. |  |  |  |  |
| 2. An efficient evaluation of the organization's cost requirements is conducted. |  |  |  |  |
| 3. Stakeholder positions on cost allocation are well-established. |  |  |  |  |
| 4. The company uses systems for efficient operations and cost management. |  |  |  |  |
| 5. This organization's management effectively controls costs. |  |  |  |  |

**PROFITABILITY**

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  | **1** | **2** | **3** | **4** |
| 1. You always plan and meet the desired profits |  |  |  |  |
| 2. Your business has attained expansion because of high returns on assets |  |  |  |  |
| 3. Shareholders of this business receive relatively high returns |  |  |  |  |