MAKERERE UNIVERSITY

COLLEGE OF BUSINESS AND MANAGEMENT SCIENCES

THE ASSESSMENT OF CASHFLOW FORECASTS ON INVESTMENT DECISIONS

CASE STUDY: NATIONAL SOCIAL SECURITY FUND UGANDA (NSSF)

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A RSEARCH PROJECT SUBMITTED TO MAKERERE UNIVERSITY COLLEGE OF BUSINESS AND MANAGEMENT SCIENCES AS A REQUIREMENT IN PARTIAL FULLFILLMET OF THE AWARD OF A DEGREE OF MASTER OF BUSINESS ADMINISTRATION OF MAKERERE UNIVERSITY

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ABSTRACT

The study was undertaken with a purpose of assessing the effect of cash flow forecasting on investment decisions using National Social Security Fund (NSSF) as a case study. The study was categorized into three specific objectives which included; determining the purpose of managing efficient cash flow forecasts, to analyse the investment decision impact in corporate financial management and to find out the relationship between cash flow forecasting and Investment decisions management. The research design was both qualitative and quantitative in nature. The study population included 10 NSSF employees, 10 professionals and 15 NSSF customers making a total sample size of 35 respondents. A purposive sampling technique was used to sample all the categories. Data collected was from both primary and secondary sources and was analysed using spearman's correlation coefficient.

The findings established that there is a positive and significant relationship between cash flow forecasts and investment decisions based on the facts that: when cash flow forecasting is mismanaged in the company, there will always be inefficiencies in investment decisions. Most likely, funds are mismanaged which brings about the need to look into the organizational weaknesses for proper cash flow forecasts. This however does not mean that poor cash flow forecasts is the only cause of investment inefficiency; other factors such as interests of Directors, employee morale among others affect investment decisions efficiency

The researcher to this effect recommends that All NSSF operating departments and branches should be involved in developing reasonable expectations of timing and amounts of planned expenditures. This ensures all possible outflows of resources are measured, and if needed, prioritized. Forecast time frames should accurately reflect the cash transactions of the organization.