

**ROLE OF FINANCIAL STATEMENTS ANALYSIS IN CORPORATE
DECISION MAKING OF MANUFACTURING COMPANIES IN RWANDA**

A CASE OF BRALIRWA PLC

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DECLARATION

This inquire about is my unique work and has not been displayed to any other institution. No portion of this inquire about ought to be replicated without the authors' assent or that of Mount Kenya University.

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Sign..... Date.....

DEDICATION

This work is dedicated to my parents, for their unconditional love, guidance, prayers, moral and financial support without which this work would not have been possible.

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ABSTRACT

The general objective of this study is to find out the role of financial statement analysis under corporate decision making of manufacturing companies in Rwanda and this study was achieved the followings specific objectives: to determine the role of analysis of statement of financial position in corporate decision making of Bralirwa Plc, to assess the role of analysis of income statement in corporate decision making of Bralirwa Plc and to establish the role of analysis of cash flow statement in corporate decision making of Bralirwa Plc. This study was designed as a case study of Bralirwa Plc using the survey method; a case study was described as analysis of financial statement analysis under corporate decision making of manufacturing companies, assuming that the researcher can acquire knowledge regarding the subject under review from in-depth exploration of a single case. It was a qualitative analysis that involves careful observation of a situation. The researcher used questionnaires to collect data, As far as this study was concerned, the population was comprised of employees of Bralirwa Plc targeting 244 employees. Thus, a sample size of 151 respondents was considered as representative of the total population. I used primary and secondary data to get all information needed in this study, the statistical method was offered the opportunity to analyze and quantify the results of research collected by using quantitative, qualitative methods and SPSS version 20. The researcher concluded that various financial statements are prepared by Bralirwa Plc and they include balance sheet, income statement and cash flow statements. The financial statements prepared are analyzed in order to find the various ways through corporate decision making enhanced. Hence meaning that financial statement analysis contributes to the corporate decision making of Bralirwa Plc. The researcher concluded that the various factors necessary for the financial performance of Bralirwa Plc are availability of capital, market availability, committed employees, and forecasting and a Bralirwa Plc reputation and that Bralirwa Plc performs well due to financial statement analysis carried out. The researcher also concluded that forecasting future financial statements analysis (23%), to assess financial performance (27%), to make financial statements analysis (14%), to compare variations in financial performance (9%) and to compare with expectations of financial performance (27%). Corporate decision making of Bralirwa Plc is described as good because of the benefits that accrue from financial statement analysis. The leaders of Bralirwa Plc, who have manufacturing activities into their attribution and responsibilities, are suggested: to allow manufacturing market actors to learn from each other's experiences, building on expertise and knowledge; to contribute in transparency and accountability of manufacturing markets and allows for lessons to be shared more easily; to reveal manufacturing markets mistakes and offers manufacturing sales paths for learning and improvements; to provides a way to assess the crucial link between implementers and beneficiaries on the ground and marketing decision-makers; to act according to the legal framework at the organization level of financial analysis strategies.

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LIST OF ABBREVIATIONS

CIMA	Chartered Institute of Management Accountants
CSR	Corporate Social Responsibility
IFASB	International Financial Accounting Standards Board
IFRS	International Financial Reporting Standards
NPM	Net profit margin
PLC	Public Limited Company
ROA	Return on Assets
ROE	Return on Equity
ROI	Return on Investment
RSE	Rwanda Stock Exchange



OPERATIONAL DEFINITION OF KEY TERMS

Statement of cash flow: A financial statement showing the total cash inflows and total cash outflows of a business in a specified accounting period (Alsamaree, 2013).

Statement of financial performance: Also known as income statement or profit and loss account, this is a financial statement that shows the profits/losses generated by a business in a specified accounting period (Michael, 2016).

Statement of financial position: The statement showing the monetary value of business resources, liabilities and shareholder value recorded with the specified period. It's known as a statement of financial position (Onyekwelu, 2015).



CHAPTER ONE: INTRODUCTION

1.0 Introduction

This chapter introduces the background to the study, statement of the problem, research objectives and questions/hypotheses, significance of the study, limitations of the study, scope of the study and organization of the study.

1.1 Background of the Study

Budgetary explanations examination and detailing has changed drastically over the a long time since unused innovation and more advanced execution measurements have expanded the sum and quality of data produced by businesses. The bookkeeping guidelines environment has gotten to be more universal. Corporate administration proceeds to be a major issue for administration, shareholders and controllers, centering them on the quality of corporate announcing (CIMA, 2014). After the Asian Budgetary Emergency of 1997, the Enron money related calamity within the Joined together States of America, and the later credit advertise emergency, corporate controllers and arrangement producers have called for moved forward corporate straightforwardness, expanded investigation and frequently ordered noteworthy changes to bookkeeping and divulgence prerequisites and controls. Moreover, stock trades and bookkeeping measures bodies from various nations around the world, (UK, Japan, China, South Korea, France, among others) have embraced Worldwide Money related Detailing Guidelines (IFRS) to attain the expressed objective of "harmonization and merging" of bookkeeping rules (Christian & Wysocki, 2018). Amid data revelation, corporate entities both private and public are therefore required to follow the IFRS rules which have been locally mainstreamed by member countries of the International Financial Accounting Standards Board (IFASB). This requires quality and effective financial statements analysis and reporting of corporate information to all stakeholders.

In Africa, The South African Founded of Chartered Bookkeepers (SAICA, 2020) has moreover taken endeavors to guarantee that monetary reports are arranged agreeing to the worldwide guidelines. To this impact, the SAICA characterized monetary articulations and reports (FSR) are distributions that open organizations must give to shareholders to portray their operations and budgetary conditions in a given period of time. They can be produced quarterly (interim reports) or annually (annual reports). Annual reports depict the financial health of an organization as they combine results of all quarterly reports to show the annual performance of the business (Holland, 2019). It was not until enactment was sanctioned after the stock showcase crash in 1929 that the yearly report got to be standard component of corporate monetary explanations examination and announcing. As commerce and financial hones proceed to advance universally, the East African Community states have moreover embraced the worldwide monetary detailing benchmarks in arrange to progress the quality of budgetary articulation examination and announcing in their nations. The primary approach has been changing the bookkeeping lawful environment and the foundation of professional bookkeeping bodies to supervise budgetary explanation examination. In Kenya, the Kenya Bookkeepers and Secretaries National Examinations Board was established (Muteti, et al., 2018; in Uganda, there's the Established of Certified Public Accountants of Uganda (The Bookkeepers Act, 2013) whereas in Rwanda there's the Founded of Certified Open Bookkeepers of Rwanda (MINECOFIN, 2018). The professionalization of accounting demonstrates the commitment that countries have to improve financial statement analysis and corporate decision making.

The theoretical literature also supports financial statement analysis as an effective tool for corporate decision making. For example, the agency perspectives support strong financial controls and monitoring by firm owners to ensure that managers make proper financial decisions

that support the overall vision of the firm and shareholders (Mitzkus, 2013). The entity theory argues that all of the financial action conducted by a commerce is isolated from that of its proprietors (Rai, 2013). As such, there is need for effective financial statement analysis to separate the financial assets of shareholders and those of the firm when making investment decisions. Similarly, the shareholder theory supports the thought that the most reason of companies is to produce benefits and increment shareholder riches (Pfarrer, 2010). In arrange to realize this objective, solid budgetary statement analysis is required so that firms are able to create beneficial venture decisions. Prior observational ponders propose that higher quality budgetary explanations investigation and announcing increments the investment effectiveness and return on value (ROE) whereas lessening the company's money related dangers within the advertise (Bushman & Smith, 2015; Healy & Palepu, 2016). Reliable with this contention, Biddle and Hilary (2016) discover that companies with higher quality budgetary announcing show higher venture productivity substituted by lower investment-cash stream sensitivity.

Typically, as observed by Healy and Palepu (2016), financial statements and annual reports contains the monetary highlights, letter to the shareholders, account content, illustrations and photographs, management's talk and examination such as budgetary explanations, notes to money related explanations, auditor's report, rundown budgetary information and corporate information. In the East African region, the member states are increasingly improving the financial reporting standards by establishing accounting professional bodies to regulate and oversee the practice of financial reporting.

Theoretically, Quality financial statement analysis and good corporate governance continues to be a need for the decision makers and controllers of monetary reports. (CIMA, 2014). Additional financial statements analysis and publication needs in ranges such as committee level

compensation, inside management and administration failure put modern difficulties on trainers, although of the fact that with a few positive impacts; and review companies and their customers have confronted distant closer investigation for the characteristics of the end of their budgetary users in relations with the review supposition (CIMA, 2014).

To investors and shareholders, corporate financial statements analysis, reporting and information divulgence can relieve the antagonistic choice issue and increment advertises liquidity by leveling the playing field among financial specialists (Verrecchia, 2017). Its impact is two-fold - firstly, more data within the open space makes it harder and more expensive for dealers to gotten to be secretly educated. As a result, less speculators are likely to be secretly educated, which decreases the likelihood of exchanging with a better-informed counter party. Besides, more money related detailing and divulgence diminishes the vulnerability almost company esteem, which in turn decreases the potential data advantage that an educated dealer might have over the ignorant. Both impacts decrease the degree to which ignorant financial specialists got to cost, ensure and thus increment advertise liquidity, (Christian & Wysocki, 2018).

For the management, the analysis of financial statements provides vital information for corporate decision making on investments, income generation and resource controls. This would hence tend to decrease the related organization and political costs that might something else emerge (Bushman & Smith, 2015). Lower data asymmetry would moreover fortify the liquidity of the showcase, and in this way lead to lower costs in issuing value capital and obligation (Sengupta, 2018). Undoubtedly, companies that give broad bookkeeping divulgences tend to show lower exchanging costs and bid-ask spreads, (Botosan & Plumlee, 2013).

The ability of manufacturing companies to make effective corporate decisions and perform financially is critical to their competitiveness and survival in the short and in the long run. Net

profit margin (NPM) is widely used as a measure for banks' financial performance (European Central Bank, 2010). NPM is the rate of income remaining after all working costs, intrigued, charges and favored stock profits (but not common stock profits) have been deducted from a company's add up to income. Other analysts utilize return on resources (ROA), return on speculation (ROI) and return on value (ROE) or a combination of both. Return on resources is the rate which appears how beneficial a company's resources are in creating incomes, ROI is the proportion of cash picked up or misplaced on an venture relative to the sum of cash contributed whereas ROE is the sum of net salary returned as a rate of shareholders value, (Woolridge & Gray, 2006).

With regard to corporate decision making in Rwanda, the country's manufacturing sector saw a 14% increase in profits in the first quarter of 2018 compared to the same quarter in 2017 driven by increased reduction of production and management costs (Hitimana, 2019). Bralirwa PLC too known by its French title Brasseries et Limonaderies du Rwanda, is the biggest brewer and delicate refreshment company in Rwanda. The history of Bralirwa PLC in Rwanda goes as distant back as 1957. The supervision of the manufacturing plants of the Congo and Burundi, beneath the organization of Brasseries de Leopoldville (Brewery of Kinshasa), chosen to build another brewery inside the Eastern region. The city of Rubavu, on the north side of Lake Kivu, was chosen to house the present day production line. Rubavu was chosen for two reasons: (a) It was easily accessible, by water, arrive and affectation and (b) Lake Kivu incorporates, an broad sum of illustrated spares of methane gas, a source of elective essentialness. The production line have to be operational in 1959 and begun making Primus ale, the because it were brand conveyed until 1987. In 1987, a cutting edge premium adjacent brew brand, Mutzig was displayed.

In 1989, Bralirwa begun making Guinness underneath allow. In 1971, the Bunch Heineken, a German plant total, obtained a 70 percent bigger portion shareholding in Bralirwa PLC. With the ownership, Bralirwa PLC unimaginably made strides its brewing strategy. In 1974, Bralirwa PLC extended into the era of fragile drinks. A fragile refreshments plant was opened in Kigali, Rwanda's capital and greatest city. The plant joined strengths with the Coca-Cola Company, which allowed Bralirwa to broaden the expand of things made (David, 2015). As of 2018, Bralirwa may be a regionally and universally recognized production line and fragile refreshment maker with a developing portfolio of alcoholic and non-alcoholic refreshments. The offers of stock of the company are recorded on the Rwanda Stock Trade (RSE). The Heineken Gather claims 75 percent of the offers of the company. The remaining 25 percent are claimed by person and regulation investors.

In December 2009, the Government of Rwanda effectively stripped from the company by offering 5 percent shareholding straightforwardly to the Heineken Gather and by posting the remaining 25 percent on the RSE, through an Introductory Open Advertising (David, 2015). As of December 2017, the company is claimed by Heineken Universal (40.01%), Belegginmaatschapij BV (35%), Arisaig Africa Buyer Finance Constrained (7.06%) whereas 17.93% is claimed by other regulation and person financial specialists. The current consider is in this manner is expecting to set up the part of budgetary articulations examination in corporate choice making of fabricating businesses in Rwanda. The ponder will utilize the articulation of monetary position (adjust sheet), articulation of budgetary execution (benefit and misfortune account or wage explanation) and the explanation of cash stream (cash stream articulation) as autonomous factors for budgetary explanation investigation whereas corporate choice making will be the subordinate variable. In expansion, the hypothetical and experimental writing will be

checked on to choose the portion of budgetary explanation examination on corporate choice making in fabricating companies in Rwanda.

1.2 Statement of the Problem

Financial statements in every business are crucial factors that need to be analyzed and interpreted by management in order to know the way forward for the business, all business always endeavor to know what the financial statement say about either the financial position or the assets and liabilities of the institution so as to know whether they are performing or not. However, financial many institutions in Rwanda give less attention to financial statement analysis as far as improving performance is concerned (Kimmel and Kieso, 2014). As Rwanda moves toward advance liberalization to upgrade its trade environment, made strides budgetary straightforwardness, and high-quality bookkeeping and inspecting hones are vital. Rwanda will advantage from advance adjusting its corporate division hones with those of its fundamental exchanging accomplices, and in this manner upgrading the country's allure in competing for outside coordinate speculation. A ponder by Soyinka, et al. (2017) found that the significance and steadfastness of money related articulation investigation had a positive impact on corporate decision-making. Akmal, et al. (2015) also observed that the effectiveness of financial statement analysis contributed up to 12.8% to the decision-making process of the surveyed firms. Similarly, Iu and Clowes (2014) evaluated content quality of financial statements and found out that truthfulness, completeness, and verifiability played a significant role in investment decision-making. Howard, et al. (2017) found that poor financial reporting provided wrong information which led to investment in unproductive assets thus leading to financial loss.

A report by the World Bank (2016) found that it is only through quality and transparent financial statement analysis and reporting that investors and managers can make effective decisions to

improve corporate decision making and performance. The report further found that companies lacking skilled staff in financial statement analysis were making poor corporate decisions that were leading to financial loss and poor performance. This is happening because they lack sufficient information of how best they can benefit from financial statement analysis in as far as improving financial performance is concerned. It is against that background that the researcher will intend to carry out this research and seeks to assess the role of financial statement analysis in improving corporate decision making in manufacturing companies.

1.3 Objectives of the Study

The study was guided by both the general and specific objectives as shown below:

1.3.1 General Objective

The general objective of this study was to examine the role of financial statement analysis in corporate decision-making process of manufacturing companies in Rwanda.

1.3.2 Specific Objectives

- i. To determine the role of analysis of statement of financial position in corporate decision making of Bralirwa Plc;
- ii. To assess the role of analysis of income statement in corporate decision making of Bralirwa Plc;
- iii. To establish the role of analysis of cash flow statement in corporate decision making of Bralirwa Plc.

1.4 Research Questions

Three research questions were used to examine how quality financial statement analysis and reporting has influenced decision making in Bralirwa Plc. These include the following:

- i. What is the role of analysis of the statement of financial position in corporate decision making of Bralirwa Plc?
- ii. What is the role of analysis of the income statement in corporate decision making of Bralirwa Plc?
- iii. What is the role of analysis of the statement of cash flow in corporate decision making of Bralirwa Plc?

1.5 Significance of the Study

The outcome of this study will be a dissertation documenting the role of financial statements analysis on corporate decision-making process in manufacturing companies in Rwanda. It'll be valuable to different individuals as appeared underneath:

To Bralirwa PLC

The study will act as a guiding tool for Bralirwa PLC and other manufacturing companies by highlighting the importance of quality financial statement analysis in companies. This will encourage Bralirwa PLC and other manufacturing companies to upgrade their financial statement analysis practices in order to improve decision making.

To Mount Kenya University

This research study is very important to Mount Kenya University, the public and other educational organizations since it'll give information for academicians and future analysts with skills concerning financial statement analysis with decision making of manufacturing companies in Rwanda.

To Researcher

The investigate will offer help the examiner to secure a Master's Degree in Trade administration from the Mount Kenya College since it is one of the midway necessities for the grant.

To body of knowledge

The investigate will respond as a proposal manual for other academicians and investigate understudies subsequently contributing a body of data to the scholastic field.

1.6 Limitations of the Study

A analyst expects impediments that are likely to have a negative impact on the inquire about prepare: Firstly, there's need of experimental thinks about that have been conducted on the subject with focus on Bralirwa Plc where information can be gotten for comparative examination. The researcher was solved this problem by using published data from other case studies.

Secondly, there is likelihood of language barrier as some respondents may lack English fluency since Rwanda is predominantly French speaking. However, the researcher interpreted each question for respondents to understand before they provide data.

1.7 Scope of the Study

The scope of the ponder alludes to the parameters inside which the think about was secured. These parameters incorporate the content/subject scope, geological scope and time scope.

Content scope

The study focused on the role of financial statements analysis in corporate decision making of manufacturing companies in Rwanda by consideration of financial statements analysis and decision making of manufacturing companies.

Geographical scope

Geographically, the study was conducted in Kigali City, Kicukiro District at Bralirwa Plc, this is preferred because it is where the company's annual reports are prepared and the researcher believes that abundant data was accessed via this branch.

Time scope

The analyst was concentrated on the period between 2016 and 2021, since typically the period where the analyst anticipates to be given with money related reports that are current and up-to-date.

1.8 Organization of the Study

This study was organized into three chapters. Chapter one covers foundation of the think about, articulation of the issue, inquire about goals and speculations, centrality of the think about, impediments and scope of the ponder. Chapter two comprises of hypothetical writing, observational writing, hypothetical system, study and crevices recognizable proof, and conceptual system. Chapter three covers inquire about plan, target populace, test plan, information collection strategies and information examination as well as moral considerations, Chapter four comprises of presentation of findings, analysis and interpretation and chapter five comprises summary of findings, conclusion and recommendation.

CHAPTER TWO: REVIEW OF RELATED LITERATURE

2.0 Introduction

This chapter covers the speculative and observational overview of writing relevant to the factors of inquire about, and the theoretical of writing audit, appearing the lessons learnt and the space the investigate was endeavoring to fill. It may be a talk of diverse creators that have carried out considers (Kombo & Tromp, 2006) on the effect of money related articulation investigation on choice making in manufacturing companies in Rwanda.

2.1 Theoretical Literature

2.1.1 Financial statements and financial statement analysis

Monetary articulation could be a archive that communicates budgetary truths of an substance in a particular period of time. To be fruitful, this archive must be fitting and satisfactory sufficient for bookkeeping standards, the level of mindfulness by managers of money related articulations (AICPA, 2013). Within the keeping money segment, the bank's yearly reports speak to the comprehensive monetary explanation. Money related articulation investigation is the systematics handle of evaluating the financials data of an substance to decide in the event that it could be a genuine and complete representation of the wage and use of that substance and to decide whether the firm is within the right heading. Therefore, appropriate examination of money related articulations is competent of foreseeing the conceivable future victory of the organization.

These are accommodating in foreseeing long run working conditions of any institution, as beginning point for plan and arrange of actions incorporate the long run circumstances (Penman, 2017). Confirmations implanted inside money related articulations may be utilized to calculate and evaluate the degree and peril of anticipated future cash flow as for the company. The noticeable budgetary articulations incorporate articulation of budgetary position or adjust sheet,

articulation of budgetary execution and articulation of cash stream (Solberg & Durrieu, 2016). The adjust sheet (explanation of money related position) could be a explanation of resources and liabilities of the organization a particular bookkeeping period. Resources are what the substance possesses whereas liabilities are claims against the resources of the firm. The articulation of monetary execution speaks to the incomes and costs of the firm in a particular trade cycle. The articulation of cash stream appears the influx and surge of cash all through the commerce, (Hassan, 2013).

2.1.2 Corporate Decision Making

Corporate Decision making is the process where a firm decides to select the most appropriate activity or project where to invest its financial assets to deliver merchandise and administrations for the showcase. It is worth to note that making a decision to invest in a particular activity, business line or project is dependent upon the targets, goal and resource capacity of the organization to execute such activities (Alfred, 2013). The accessibility of assets (monetary, human, fabric, mechanical and data) is exceptionally important in executing business strategies and operations. Therefore, management should prudently analyze their financial statements to determine whether funds are available to implement their chosen business investments.

2.2 Empirical Literature Review

Financial statement analysis uses data obtained from financial accounting records (articulation of budgetary position, explanation of budgetary execution and explanation of cashflow) kept by the company. Monetary articulation examination creates and presents profitable data with any required supplementary descriptions. Empirical literature has demonstrated that analyzing different financial statements affects the organization's corporate decision-making in different ways as analyzed below:

2.2.1 Analysis of Statement of Financial Position and Corporate Decision Making

Earlier experimentation applies a diversity of measures of extension in companies' statement of financial position as estimate variables for business decision making and profitability. Sloan (2018) relates working expansion, which are changes in one element of net working assets (working capital) less devaluation and amortization, to future returns. Fairfield, Whisenant and Yohn (2014) look at growth in long-term networking assets. Both authors demonstrated that a balance sheet was an important instrument for forecasting company productivity and profitability based on such indicators as net assets and liabilities of the surveyed companies.

In a related development, capital use alludes to the choices related to capital budgeting as substitution of hardware or the extension of plant. This consumption is portion of the adjust sheet and is fundamentally related to monetary choices of a company. This guarantees that et show esteem must be created. A ponder by Mikkelson (2013) in Malaysia demonstrated that capital expenditure was specifically related to long run corporate wage of the overviewed companies. Utilizing the illustrations of settled resources such as building, arrive, furniture etc. The beneficial capacity of companies was created by contributing is such resources which ensured long term benefit extend. The sorts of such resources did not alter habitually. The essential reason of the buy of such resources was to create and deal more. Resources had noteworthy part in deciding the part and the benefit ratio of the company.

A financial statement is a collection of data organized according to logical and consistent accounting procedures. Its purposes are to convey an understanding of some financial aspects of business firm. It may show a position as in the case of a balance sheet or may reveal a series of activities over a given period of firm, as in the case of an income statement (Fraser, 2017). Financial statement analysis is part of business analysis. Business analysis is the evaluation of a

institution's prospects and risks for the purpose of making business decisions. These business decisions extend to equity and debt valuation, credit risk assessment, earnings predictions, audit testing, compensation negotiations, and countless other decisions. Business analysis aids in making informed decisions by helping structure the decision task through an evaluation of a institution's business environment, its strategies and its financial position and financial performance (Gunduz & Tatoglu, 2015).

A study carried out by Rwemarika (2016) to evaluate the role of financial statement analysis on financial performance of cooperatives. With specific objectives of identifying role of income statement analysis on the liquidity position of Bralirwa Plc, to find out contribution of income statement analysis on the profitability of Bralirwa Plc, To assess impact of balance sheet analysis on the solvability of Bralirwa Plc and conducted on 163 personnel as population whereby a sample of 61 respondents was taken into consideration and income statements and balance sheet were analyzed to show financial position of Bralirwa Plc. Through uses documentary, questionnaire, Interview, observation and sampling as techniques were significantly attain academic objective found out that net profit is considered for financial institutions as sufficient. In this manner, common stockholders expect receiving high dividend. And that financial statement analysis leads to a high level of profits.

It has been observed that business liabilities as another component of the balance sheet was very important in making investment decision making. A study by Bradshaw, Richardson and Sloan (2016) among the small and medium enterprises in Finland revealed that acquiring well thought loans was an important factor for influencing the company' investments. Furthermore, the more the companies acquired loans, the more their operations and profitability increased over the

period from 2008 to 2015. This shows that proper examination of the balance sheet items is important in decision making over how much capital is required, how and where to allocate it.

Lamberson (2015) appeared that resource the administration of the company is the foremost basic issue within the company where there are numerous supervisors who are overseeing the monetary conditions in arrange to distinguish the reasons of great resources administration and the level of optimization of administration of resources (Afza & Nazir, 2019). By having the adjusted level of resources administration, the major component is the abilities and the capacity of administration of the company who make key choice in arrange to oversee the key zones of reveivables, stock and other issues as well, (Filbeck & Krueger, 2015).

2.2.2 Analysis of Income Statement and Corporate Decision Making

For the process of company evaluation and establishing the financial performance decisions, various financial ratios related to the income statement are considered. Financial ratios are fundamental indicators for users in the financial markets. Aydeniz (2014) found out that financial ratios are also important to identify parameters that influence the financial performance decisions of companies, which is imperative for investors, competitors, and other external users in order to make investment and other decisions.

In Altiman (2017) money related execution consider, a positive relationship between company estimate and productivity was set up. Another monetary execution ponder conducted by Kosa, et al. (2019) found that amid the period of moo execution, the company had to create a few changes of their salary generating strategies (income explanation examination) to play down costs to superior their execution. Slope and Perry (2016) examined monetary execution by utilizing liquidity proportion, benefit proportion, and obligation proportions in which the comes about uncovered that tall execution companies have high liquidity proportions, had legitimate salary

articulations and were able to form judicious choices with respect to their companies. It was too uncovered by Dwindle (2017) that the liquidity proportion was critical in company execution and stock return assessment, whereas Adam (2013) uncovered that company execution moves forward the rate of cash profits all of which were impacted by choices made on the premise the company's wage explanations

Sunderland and Cost (2017) too considered the impact of budgetary proportions on company budgetary execution and decision-making, the comes about appeared that there was a positive noteworthy relationship between company execution as appeared by the wage articulation and company estimate and current proportion and altogether negative relationship with use. Sultan (2014) explored the relationship between money related markers and stock return of recorded companies. The comes about uncovered that companies with higher stock book esteem have higher stock return than those with lower stock book esteem, thus signifying that it is critical for companies to analyze their income statements before making any big financial decision. Sultan (2014) concluded that return on equity ratio (part of the income statement) was a broad measure of company's profitability.

In their investigations, Altiman (2017) concluded that the adoption of data envelopment analysis identifies companies performing efficiently and those otherwise. In the process of company evaluation and establishing the financial performance of companies, diverse financial indicators such as financial ratios are considered. Such financial ratios are vital indicators for decision making by users in the financial markets.

In their consider, Slope and Perry (2016) examined monetary execution by utilizing liquidity proportion, productivity proportion, and obligation proportions in which the comes about

uncovered that tall execution companies have tall liquidity proportions which are impacted by judicious investigation of the wage articulations.

2.2.3 Analysis of Statement of Cash Flow and Corporate Decision Making

Money stream explanation appears cash receipts from major sources and cash installment for major employments amid a period. It may be arranged at quarterly interims but at slightest at annually interims. It gives valuable data almost an substances movement in creating cash from operations (McDermott, 2017). It educates almost program to reimburse obligations, conveys dividends or reinvest to preserve or expand its working capacity.

In a study by Bushman and Smith (2015) a cash-flow statement was found instrumental in making a difference the administration within the handle of brief term monetary arranging. A cash- stream explanation was valuable to the administration in evaluating its capacity to meet its brief term commitments such as exchange banks, bank advances, intrigued on debentures, and profits to shareholders. Lamberson (2015) revealed that the information contained in cash flow statement was critical in helping the management of companies in short run financial planning, cash control and decision making in many ways:

Firstly, the anticipated cash stream articulations unveiled overflow or deficiency of cash well in progress. This made a difference in orchestrating excess cash as bank stores or speculations in attractive securities for brief periods (Sultan, 2014). In case of deficiency of cash, courses of action were effectively made for raising the bank credit or offer attractive securities. Secondly, cash-flow explanations were of extraordinary offer assistance in arranging liquidation of obligation substitution of plants and settled resources and comparable other choices requiring surge of cash from the trade as they given data almost money creating capacity of the trade (Adam, 2013). Thirdly, cash stream articulation relating to a specific year compared

with the budget for that year uncovers the degree to which the real sources and applications of cash were in consonance with the budget. This work out makes a difference in refining the arranging handle in future. The inter-company and worldly comparison of cash stream explanations uncovered the drift within the liquidity position of the overviewed companies in comparison to other companies within the industry. It in this manner served as a pointer to the require for taking remedial activity on the off chance that it was watched that the administration of cash within the company was not viable. Rai (2013) found that cash stream articulations were more valuable in short term monetary explanation investigation as compared to support stream explanations since within the brief run it is cash which is more critical for executing plans instead of working capital. This made a difference the companies in superior administration of the budgetary streams within the company so as to deflect liquidity shortages.

2.3 Critical Review and Research Gap Identification

The use of balance sheet in diagnosing the financial health of companies has been hailed by various researchers. However, Adam (2013) found that potential issues and impediments of money related explanation examination exist which ought to be taken under consideration whereas utilizing the adjust sheet. One of these issue is associated with the time slack between the day on which the budgetary articulations are distributed and the adjust day – in times of high market instability data displayed within the budgetary articulations can be invalid (McDermott, 2017). This may lead to pitfalls in determining future working execution and monetary condition based on past patterns.

Regarding the statement of financial position, Adam (2013) argues that this financial statement may not give a full and true picture of the business incomes and expenditure if the finance and accounting managers do not uphold their moral principles. In most cases, accounting personnel

have been reported to have falsified such critical information with the goal of hiding their fraudulent practices against company assets and this has significantly affected decision making (Rai, 2013). In other cases, the administration may select to over-inflate benefits to bait planned shareholders into contributing within the company or to collapse benefits to maintain a strategic distance from paying charges.

Similarly, Sloan (2018) found out that the use of accrual accounting method in the preparation of income statement also affects the efficiency of decision making. The statement records expenses and revenues when a transaction occurs, instead of holding up for the physical exchange of cash to require put (Sloan, 2018). In most cases, the reality is distant distinctive from the picture within the benefit and misfortune explanation. For case, the company may have set an arrange for stock with a provider. The company treats this cash as an cost quickly. On the due date, the merchant may not supply the stock, in which case the company will not cause the expenditure. Similar is the case with accounts receivable where the company treats the cash owed by the indebted person as income indeed in spite of the fact that, on the due date, the indebted person may not pay, (Cokin, 2019). Such accounting practices significantly affect corporate decision making among businesses.

Furthermore, the analysis of financial statements to make prudent corporate decisions is dependent on the trust and honesty of financial statement analysis. However, based on the example of Enron and other financial scandals in recent history, it is observed that honesty is a rare and most financial statement analysis promote their personal interests at the expense of firms thus generating a moral hazard that negatively affects corporate decision making and performance outcomes (Biondi, 2017). This study seeks to recommend firms to be observant and insightful so that they employ honest personnel in their financial statement analysis operations.

Lastly, it is observed that the literature examined for this research (Smith & Smith, 2014; Sloan, 2018; Mikkelson, 2013) in regard to financial statements were conducted in foreign countries including Malaysia, United Kingdom, France and the United States among others. This means that the topic has been given limited research attention in Rwanda thus creating a dearth of local knowledge and practical experiences in the local context.

2.4 Theoretical Framework

There are different speculations that have been received to portray the impact of budgetary articulations investigation on choice making handle in companies. In any case, this considers centers on the organization hypothesis, the substance hypothesis and shareholder hypothesis.

2.4.1 The Agency Theory

The office hypothesis was created by Jensen and Meckling in 1976, when he depicted the organization relationship as "a contract beneath which the foremost (s), substance owner(s) or shareholder(s) engage(s) the agent(s) to perform administration capacities on their sake. This is often done by assigning a few choice making authority to the agent(s)" (Mitzkus, 2013). The most reason of utilizing the agency hypothesis in this ponder is that it concerns deciding the foremost effective contract overseeing the principal-agent relationship which in most companies is completed by budgetary explanations investigation, announcing and data disclosure. Therefore, office hypothesis portrays the conflict between supervisors and shareholders that emerges when supervisors select activities that are not within the best intrigued of shareholders in arrange to maximize their claim utility, (McDermott, 2017).

This ethical risk issue is caused by the presence of data asymmetry between supervisors and shareholders and can result in supervisors choosing speculations with negative net display esteem. Agency viewpoints contend that in nonappearance of solid controls from shareholders,

directors can craftily utilize corporate assets to seek after objectives that improve their possess utility in ways that are improbable to supply noteworthy returns to shareholders. Thus, destitute or astute speculation choices such as in Corporate Social Duty (CSR) come at the cost of great money related execution since these speculation choices make utilize of company's assets in ways that confer significant administrative benefits instead of committing those assets to elective venture ventures or returning them to shareholders, (Brammer & Millington, 2018).

As artful ventures can give certain private benefits to directors that would not be anticipated from a commonplace speculation (e.g., reputational picks up, upgraded social status, or a "warm-glow" from supporting a social cause), the ethical danger issue that comes about in money related misfortune is likely exacerbated and this incorporates a negative suggestion on company performance. Therefore, Prabowo and Angoso (2016) contend that financial articulations examination and prudential detailing are the most gadgets to decrease the organization issue, in spite of the fact that there are other components such as productive advertise for corporate control, legislative control, productive work advertise for directors and administrative stock possession program. As Healy and Palepu (2016) and Botosan and Plumlee (2013) contended, it is anticipated that by uncovering extra, not commanded data, supervisors and proprietors can really diminish organization costs.

Earlier investigate proposes that higher-quality budgetary explanations investigation and announcing can relieve the ethical risk issue that comes about in wasteful speculation choices. For illustration, Bushman and Smith (2015) reported that monetary bookkeeping data impacts company's choice making and future financial execution through a administration part and foresee that higher-quality monetary bookkeeping data makes strides speculation proficiency. Steady with this forecast, Biddle, et al. (2019) discover that higher-quality budgetary

explanations examination and announcing makes strides speculation effectiveness by diminishing over- and beneath- venture. This hypothesis looks at whether money related explanations investigation and announcing disciplines managers' income era and venture choices making prepare. With regard to income era and corporate speculation choice in Bralirwa PLC, it can be contended that quality monetary articulations investigation may relieve the exacerbated ethical risk by diminishing data asymmetry and expanding the capacity of shareholders to screen managers' venture choices and activities through the utilize of high-quality, company-specific data. Subsequently, it is worth to propose that great budgetary articulations examination progresses Bralirwa PLC's corporate choice making, speculation productivity and disciplines directors to create ventures that advantage shareholders through made strides corporate monetary execution which increments shareholders' return on equity.

2.4.2 Pecking order theory

In corporate finance, pecking order theory (or pecking order model) postulates that the cost of financing increases with asymmetric information. Financing comes from three sources, internal funds, debt and new equity. Financial institution prioritizes their sources of financing, first preferring internal financing, and then debt, lastly raising equity as a "last resort". Hence: internal financing is used first; when that is depleted, then debt is issued; and when it is no longer sensible to issue any more debt, equity is issued. This theory maintains that businesses adhere to a hierarchy of financing sources and prefer internal financing when available, and debt is preferred over equity if external financing is required (equity would mean issuing shares which meant 'bringing external ownership' into the financial institution). Thus, the form of debt a firm chooses can act as a signal of its need for external finance. The pecking order theory is popularized by Myers and Majluf (1984) where they argue that equity is a less preferred means

to raise capital because when managers (who are assumed to know better about true condition of the firm than investors) issue new equity, investors believe that managers think that the firm is overvalued and managers are taking advantage of this over-valuation. As a result, investors will place a lower value to the new equity issuance.

2.4.3 The Shareholder Theory

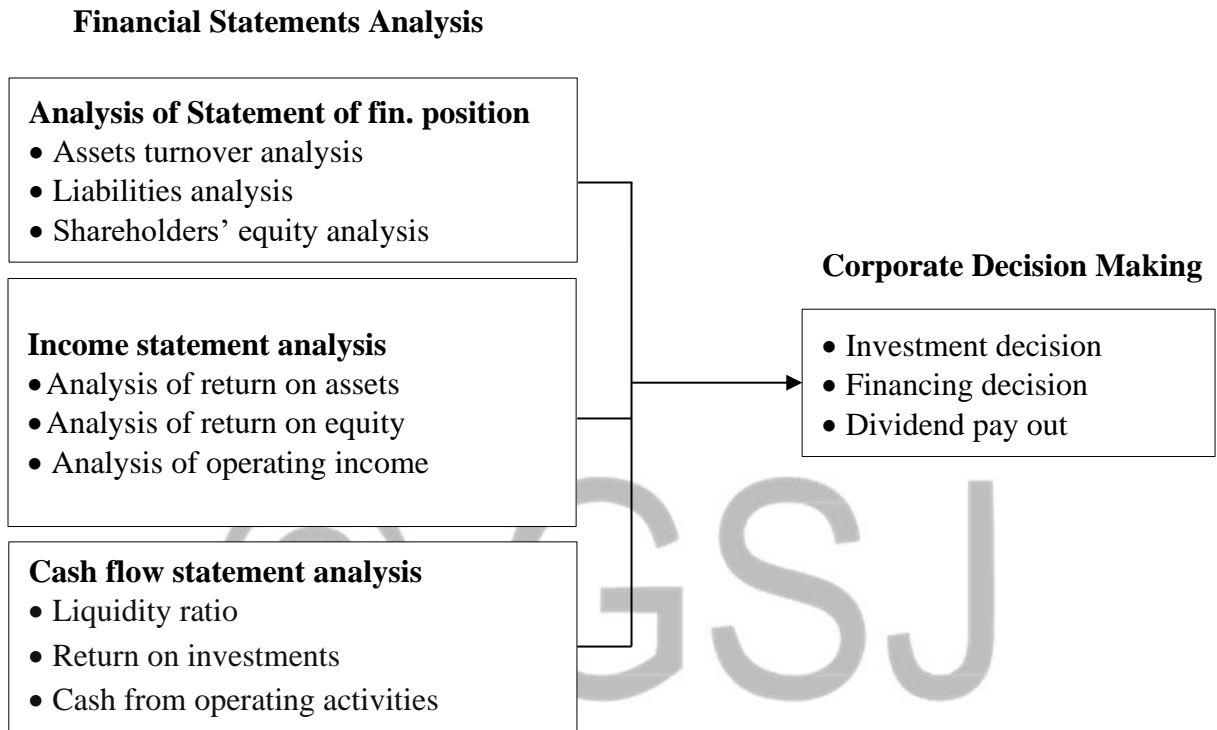
The ideas shaping shareholder (stockholder) theory have their origin from the work of Adam Smith's *Wealth of Nations* (Pfarrer, 2010). This was later expanded by Milton Friedman in 1970 when he stated that "the social duty of commerce is to extend its profits". In common, shareholder hypothesis encompasses the thought that the most reason of companies is to generate profits and increase shareholder wealth. The theory presupposes that the responsibility of offering solutions to social issues and challenges rests upon the state and charities or philanthropy organizations.

Friedman therefore stresses that under private enterprise, corporate philanthropy and other company practices that are not directed towards generating profits and shareholder wealth are a waste of shareholders' resources and immoral because they constitute stealing by the company management from the owners. This theory is relevant in the study of financial statement analysis because it forms the basis of why private enterprises engage in financial reporting since they aim to move forward choice making which can lead to expanded incomes for the company and progressed shareholder net wealth.

2.5 Conceptual Framework

The conceptual system (Fig 2.1) appears the relationship between monetary articulation examination and corporate choice making of fabricating companies. Budgetary articulation investigation is the free variable whereas choice making is the subordinate variable. Figure 2.1

appears that the free variable is spoken to by three budgetary articulations, that's, articulation of monetary position, explanation of monetary execution, and explanation of cash flow.



Source: Researcher, 2023

Figure 2. 1: Conceptual Framework

As Figure 2.1 shows, it is observed that analysis of financial statements is a broad concept that involves analysis of financial status of the firm based on articulation of money related position, wage explanation and cash stream explanation.

2.5.1 Financial Statements Analysis

The explanation of monetary position moreover called the adjust sheet is the explanation that appears the resources and liabilities of a firm. While analyzing this statement, the financial

analyst considers factors such as assets turnover analysis, liabilities analysis and analysis of shareholders equity. This enables management to understand the amount of assets and liabilities of the firm, thus making decisions that considers such business variables.

The income statement which appears the money related execution of the firm incorporates the return on resources, return on value, deals income examination, investigation of working costs and the investigation of working costs. This makes a difference the firm administration get it the firm's monetary status hence empowering them make effective monetary decisions. The examination of cash stream explanation is another component of monetary articulation examination that evaluates the firms cash inflows and outpourings from its exercises. It includes liquidity proportion investigation, return on venture examination, examination of salary from working exercises, examination of wage from contributing exercises and investigation of pay from financing activities. This component of the financial statement analysis helps to determine the liquidity of the firm and how much capital will be available in a given time to enable efficient decision making.

2.5.2 Corporate Decision

Corporate decision refers to a range of options/choices agreed upon and taken by firms regarding which where to allocate their financial resources for profit generation and company growth (Jehan, 2020). During decision making, corporate management may consider issues such as which sector to invest, which amount to invest, in which assets to invest, for how long the company should expect to recover the initial capital, etc.

A corporate decision demonstrated the readiness of the firm to develop in assets and grow in size. Due to changes in the environment where organizations operate, it is important that corporate decisions are generated after management has conducted comprehensive businesses

risk identification, analysis and laid mitigation strategies (Obumayi, 2013). Forecasting the outcomes of a corporate decision also involves examining the capability of the firm to embrace the evolving changes.

2.6 Summary of Literature Review

This chapter has distinguished the hypotheses supporting money related articulations examination as well as the conceptual system which appears the relationship between money related explanations examination and choice making in fabricating companies. The observational investigate moreover archives key considers that have been conducted on budgetary articulations investigation and its consider factors with respect to choice making whereas basic survey recognizes the crevices within the literature.



CHAPTER THREE: RESEARCH METHODOLOGY

3.0 Introduction

This chapter covers the technique of investigate; specifically investigate plan, consider populace, test estimate and determination, testing strategy and strategy, information collection strategies, information collection rebellious, pre-testing legitimacy and unwavering quality, strategy of information collection and information analysis.

3.1 Research Design

The descriptive research design was used in this study as a way to facilitate a researcher to have a mixture of both qualitative and quantitative approaches. This is considered as a way to investigate how it was utilized to depict characteristics of a wonder to be examined Kumar (2011). The analyst was portrayed the circumstance or preparing detail. Thus, this study was used descriptive research design. An expressive expository approach was utilized in arrange to decipher information. Hence, both quantitative (survey) and subjective (meet) investigate methods were utilized by researcher in arrange to gather information (data) related to the goals of the think about.

3.2 Target Population

The target population was 244 people who include the top management, middle management and general staff of Bralirwa PLC (Bralirwa PLC Human Resources Department, 2020). These was preferred because being employees of the company, they ought to possess valid information regarding financial statement analysis and decision making.

3.3 Sampling Design

3.3.1 Sample Size

The test measure was decided based on Yamane’s 1967 disentangled equation for calculating test sizes (Israel, 2013). This equation is expressed as $n = \frac{N}{1+N(e)^2}$ where, n=Sample Estimate,

N=Population Estimate and e=Sampling error (0.05 or 5%). The condition underneath appears

the application of the equation to the 244 Bralirwa PLC staff. $n = \frac{N}{1+N(e)^2} = \frac{244}{1+244(0.05)^2} =$

$$\frac{244}{1+244*0.0025} = \frac{244}{1.61} = 151$$

Table 3. 1: Sample Size

Population Type	Population Size	Sample Size	Sampling Strategy
Management and Staff	244	151	Simple random

Source: Bralirwa PLC, Human Resources Department, 2023

3.3.2 Sampling Techniques

Regarding sample selection, the researcher used simple random sampling technique to selected staff who participated in the study. The researcher used the lottery method by writing numbers 1-546 on pieces of paper, folds them and mixed them in a box by shaking it. Bralirwa PLC staff was requested to pick the folded papers where all the 151 staff whose lucky numbers are in the range of 1-151 was included in the study. This sampling technique is preferred because it eliminates bias and prejudice.

3.4 Data Collection Methods

3.4.1 Data Collection Instruments

Data was collected first hand from respondents by use of the questionnaire and documentary review. The questionnaire was composed on only structured/close-ended questions to enable

responds select answers from response options to each item in the questionnaire. It was administered to the 151 staff of Bralirwa PLC. This tool is preferred because it is less expensive compared to other methods, it can be filled at the respondents' convenience and it covers a wide geographical area (Amin, 2015).

Documentary review with the help of the documentary checklist was employed to collect data from relevant documents such as annual reports, supplier contracts, magazines, newspapers, journals, etc. to generate supplementary information. Documentary checklist was guide the author's by and large understanding of the circumstance beneath think about, by uncovering data which cannot be gotten utilizing other strategies.

3.4.2 Procedures of Data Collection

After the endorsement of the proposition by Mount Kenya college, the analyst was procured a letter of presentation to the administration of Bralirwa PLC looking for consent to manage the investigate disobedient to their staffs. The major investigate instrument, the survey was given to subject matter specialists to urge their conclusions and comments on where changes were required. The mode of survey was through physical delivery.

3.4.3 Reliability and Validity of the Instruments

Reliability was determined through test-retest method or stability reliability. This reliability measures the extent to which scores on the same test by the same individuals are consistent over time (Amin, 2015). The study was used pilot-testing by administering the instruments to a selected number of fellow students and repeat the pilot test after two weeks. The two sets of scores was correlated and evaluated to identify any consistencies and inconsistencies among the two scores. This was helped to determine whether the instruments are consistent under various situations and environments.

To ensure validity, the study was used content validity. This centers on the degree to which the substance of an instrument compares to the substance of the hypothetical concepts it is outlined to degree (Amin, 2015). The ponder was indicated the spaces of the substance (financial statement analysis and corporate decision making) and select indicators which represent those domains of the content. Thereafter, the content validity was determined by using expert judgment through subject matter experts.

3.5 Data Analysis

The analyst was utilized both quantitative and subjective information examination methods. Quantitative information investigation was included clear and inferential measurements utilizing Microsoft Office Excel Data Analysis Tool Pak while qualitative analysis was involved use of content analysis.

3.5.1 Descriptive Statistical Analysis

This was involved the use of summary of mean responses and standard deviations to analyze liker scale response items in the questionnaire. This analysis was helped to describe the nature of data on each research constructs.

3.5.2 Inferential Statistics and Analysis

Inferential insights utilizing standard slightest squares or numerous direct relapse was moreover be utilized to decide the factual importance of the relationship between budgetary explanation examination and corporate choice making in Bralirwa Plc, where money related articulation examination is the autonomous variable and was spoken to by three indicator variable: examination of the articulation of monetary position, investigation of the articulation of money related execution and examination of the articulation of cash stream. On the other hand,

corporate decision making was the dependent variable. The regression model for the inferential analysis is stated as follows:

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

β_0 = Intercept or Constant

Y = Corporate Decision making

$\beta_1 \dots \beta_3$ = Regression coefficients for each of the predictor variables

X_1 = Analysis of statement of financial position

X_2 = Analysis of statement of financial performance

X_3 = Analysis of statement of cash flow

ϵ = Error Term

3.5.3 Content Analysis

Content analysis was involved reading, recording and categorization of verbal or behavioral information for the reason of classification summarization and arrangement. In story investigation, the data was explained by using the words of the respondents. Secondary and narrative data was used to complement primary data by making comparisons for which was helped in drawing the conclusions and recommendations. The findings were reported using figures and tables.

3.6 Ethical Considerations

After the endorsement of the proposition by Mount Kenya College, the creator was secured a letter of presentation to the administration of Bralirwa Plc looking for authorization to manage the inquire about disobedient to their staffs and other individuals of administration. After obtaining that authorization, the analyst was present himself to the respondents, clarify the

targets of the inquired about and regulate the assent shape. The analyst was watch different inquire about morals such as genuineness, judgment, lowliness, secrecy, non-discrimination, human subjects' security, etc. human respect and respondents' choice to answer/not reply the investigate questions were regarded. Data was stored on encrypted digital devices including the personal computer (laptop) and the external hard disk to ensure data safety.

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CHAPTER FOUR: RESEARCH FINDINGS AND DISCUSSION

4.0 Introduction

This chapter deals with data presentations, analysis and interpretations of the research findings. It highlights the major themes and objectives of the study. After descriptive findings for each, an interpretation is given with respect to the objectives and the relationship between the explanatory and responses variables are shown in this chapter, thereafter the researcher uses tables to illustrate and summarize the findings of this research.

4.1 Profile of Respondents

Under this section the profile of respond of questionnaire is presented. Researcher describes mainly the Gender, Ages, education Level, Experience of respondents from different respondents both employees and customers of Bralirwa Plc. Frequencies and percentages have been used to show the responses from the respondents.

4.1.1 Gender of the Respondents

This sub section concerns the evaluation of the gender of the respondents that participated in this study.

Table 4. 1: Gender of the Respondents

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Male	89	58.9	58.9	58.9
	Female	62	41.1	41.1	100.0
Total		151	100.0	100.0	

Source: Primary Data (2023)

The findings in Table 4.1 shows that 89 representing 58.9% of respondents are males and 62 representing 41.1% of the respondents are female. This implies that there was somehow gender balance of the respondents, which make the study to have the opinions of both males and female.

4.1.2 Marital Status

This sub section aims at showing the marital status of the respondents in three categories, single and married.

Table 4. 2: Marital Status of the Respondents

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Single	31	20.5	20.5	20.5
	Married	120	79.5	79.5	100.0
	Total	151	100.0	100.0	

Source: Primary Data (2023)

The findings from Table 4.2 indicated that 31 respondents representing 20.5% of the respondents are single where saying about financial statements analysis in corporate decision making of manufacturing companies in Rwanda, 120 respondents representing 79.5% of the respondents are married. Regarding the marital status, it is clearly seen that in this majority of respondents are married.

4.1.3 Educational Qualification of the Respondents

This sub section shows the findings of the educational qualification of the respondents in terms of five categories, namely, primary education, high school, bachelors' degree, masters and others.

Table 4. 3: Educational Level of the Respondents

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Primary Education	59	39.1	39.1	39.1
	High School	25	16.6	16.6	55.6
	Undergraduate	55	36.4	36.4	92.1
	Postgraduate	8	5.3	5.3	97.4
	Others	4	2.6	2.6	100.0
Total		151	100.0	100.0	

Source: Primary Data (2023)

The results in Table 4.3 showed that 59 representing 39.1% of the respondents have done primary school, 25 representing 16.6% of the respondents have done high school, 55

representing 36.4% of the respondents have done bachelors' degree, 8 representing 5.3% of the respondents hold masters qualification and 4 representing 2.6% of the respondents has other qualifications. These findings indicated that the respondents come from different categories of educational background from Primary school, high school, Bachelors' degree to master's degree and also from other categories. This implies that respondents had sufficient academic qualifications for reading and understanding the questionnaires properly and therefore there is reason to believe that they replied to the questions posted to them correctly.

4.1.4 Occupation of Respondents

This shows the findings of occupation of respondents in terms of different categories.

Table 4. 4: Shows the role of respondents at Bralirwa Plc

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Audit	7	4.6	4.6	4.6
	IT	4	2.6	7.2	7.2
	Staff	6	3.9	11.1	88.7
	Employees	134	88.7	88.7	100
	Total	151	100.0	100.0	

Source: Primary Data (2023)

The results in Table 4.4 shows that 7 of respondents with 4.6% are auditors at Bralirwa Plc, 4 of respondents with 2.6% are IT, 6 of respondents with 3.9% are staff while 134 of respondents with 88.7% are employees. This implies that majority of respondents are customers means that they can provide enough information's related with financial statements analysis in corporate decision making of manufacturing companies.

4.1.5 For how long have you been in this occupation?

Table below show the period of time have been working and dealing with occupation

Table 4. 5: Shows how long have you been work with Bralirwa Plc

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Less than 3 years	62	41.1	41.1	41.1
	Between 4 and 6 years	40	26.5	26.5	67.5
	7 years and above	49	32.5	32.5	100.0
Total		151	100.0	100.0	

Source: Primary Data (2023)

The results in Table 4.5 shows that 62 respondents with 41.1% have been working with Bralirwa Plc less than 3 years, 40 respondents with 26.5% have been working with Bralirwa Plc between 4 and 6 years and 49 respondents with 32.5% have been working with Bralirwa Plc 7 years and above. This implies that majority of respondents have less experience where 41.1% have been working with Bralirwa Plc less than 3 years.

4.2 Perceptions of the Respondents

This section showed the perceptions of the respondents based on the following objectives and research questions: The general objective of this study is to assess role of financial statements analysis in corporate decision making of manufacturing companies in Rwanda. Specifically, this research achieved the following objectives to: to determine the role of analysis of statement of financial position in corporate decision making of Bralirwa Plc; to assess the role of analysis of income statement in corporate decision making of Bralirwa Plc and to establish the role of analysis of cash flow statement in corporate decision making of Bralirwa Plc. Based on the

research objectives, the following research questions were formulated and the research answered the below questions: What is the role of analysis of the statement of financial position in corporate decision making of Bralirwa Plc? What is the role of analysis of the income statement in corporate decision making of Bralirwa Plc? What is the role of analysis of the statement of cash flow in corporate decision making of Bralirwa Plc?

4.2.1 Perceptions on analysis of statement of financial position

Table 4. 6: Perceptions of respondents on analysis of statement of financial position

Statements	N	Mean	Std. Deviation
Current assets are always monitored and current liabilities are promptly paid at Bralirwa Plc.	151	4.5500	.944
Fixed assets are assessed for long term investment and fixed liabilities help us to invest long term assets at Bralirwa Plc.	151	4.6500	.933
Average		4.39	1.105

Source: Primary Data (2023)

The findings in Table 4.6 indicated that for the first statement that stated that "Current assets are always monitored and current liabilities are promptly paid at Bralirwa Plc" the respondents agreed with a mean of 4.55 and standard deviation of .94451 with the statement. This indicated that the respondents agreed with the statement as indicated by the mean and heterogeneity of answers as indicated by the standard deviation where the respondents had same opinions of the statement.

The second statement evaluated was "Fixed assets are assessed for long term investment and fixed liabilities help us to invest long term assets at Bralirwa Plc" where the respondents agreed with a mean of 4.65 and standard deviation of .9333. This indicated that the respondents agreed with the statement as indicated by the strong mean and heterogeneity of answers as indicated by the standard deviation where the respondents had different opinions of the statement. On average

the respondents agreed with a mean of 4.39 and standard deviation of 1.1051 with analysis of statement of financial position.

4.2.2 Perceptions of the Respondents on analysis of income statement

This section evaluated the perceptions of the respondents on analysis of income statement.

Table 4. 7: Perceptions of respondents on analysis of income statement

Statements	N	Mean	Std. Deviation
Sales revenues is used to expand our business operations and operating expenses are minimized at Bralirwa Plc.	151	2.0500	1.276
Operating income ensures firm liquidity and profit/loss determines future investments at Bralirwa Plc.	151	3.6000	1.759
Average		3.825	1.517

Source: Primary Data (2023)

The findings in Table 4.7 indicated that for the statement that “Sales revenues is used to expand our business operations and operating expenses are minimized at Bralirwa Plc” the respondents strong agreed with a mean of 2.05 and standard deviation of 1.276 with the statement. This indicated that the respondents strong agreed with the statement as indicated by the strong mean and heterogeneity of answers as indicated by the standard deviation where the respondents had different opinions of the statement.

The second statement was the “Operating income ensures firm liquidity and profit/loss determines future investments at Bralirwa Plc” where the respondents agreed with a mean of 3.6 and standard deviation of 1.75. This indicated that the respondents agreed with the statement as indicated by the strong mean and heterogeneity of answers as indicated by the standard deviation where the respondents had different opinions of the statement.

On average the respondents agreed with a mean of 3.825 and standard deviation of 1.517745 with the analysis of income statement has used a lot as far as respondents are concerned to

increase awareness and compliance on analysis of income statement. This indicates that the respondents have enough understanding and using about analysis of income statement at Bralirwa Plc.

4.2.3 Perceptions of the Respondents on analysis of cash flow statement

This section evaluated the perceptions of the respondents on analysis of cash flow statement

Table 4. 8: Perceptions of respondents on analysis of cash flow statement

Statements	N	Mean	Std. Deviation
Cash from operating activities is used to improve service quality at Bralirwa Plc	151	4.35	1.039
Cash from investing activities is reinvested at Bralirwa Plc.	151	2.30	1.454
Cash flows are analyzed to promptly repay the debts and Cash from financing activities is used to ensure liquidity at Bralirwa Plc	151	4.15	1.136
Average		3.6	1.207

Source: Primary Data (2023)

The findings in Table 4.8 indicated that for the first statement that stated that “Cash from operating activities is used to improve service quality at Bralirwa Plc” the respondents agreed with a mean of 4.35 and standard deviation of 1.039 with the statement. This indicated that the respondents agreed with the statement as indicated by the strong mean and heterogeneity of answers as indicated by the standard deviation where the respondents had different opinions of the statement.

The second statement evaluated was “Cash from investing activities is reinvested at Bralirwa Plc” where the respondents strong agreed with a mean of 2.30 and standard deviation of 1.454. This indicated that the respondents agreed with the statement as indicated by the weak mean and heterogeneity of answers as indicated by the standard deviation where the respondents had different opinions of the statement.

The third statement evaluated was “Cash flows are analyzed to promptly repay the debts and Cash from financing activities is used to ensure liquidity at Bralirwa Plc” this was measured by a mean of 4.15 and standard deviation of 1.136. This indicated that the respondents agreed with the statement as indicated by the strong mean and heterogeneity of answers as indicated by the standard deviation where the respondents had different opinions of the statement. On the average the respondents agreed with a mean of 3.6 and standard deviation of 1.207 with the analysis of cash flow statement. This indicates that most respondents appreciate to use of analysis of cash flow statement.

4.2.4 Perceptions of the Respondents on corporate decision making

This section evaluated the perceptions of the respondents on corporate decision making.

Table 4. 9: Perceptions of Respondents on corporate decision making

Statements	N	Mean	Std. Deviation
Corporate decision-makers are the professionals who make choices among multiple alternatives to achieve the organization's goal and solve issues	151	3.85	.988
Corporate decision making concerns the choices faced by managers within their duties in the organization.	151	3.80	1.196
Corporate decisions is an important aspect of planning at Bralirwa	151	3.95	1.190
Average		3.86	

Source: Primary Data (2023)

The findings in Table 4.9 indicated that for the first statement that stated that "Corporate decision-makers are the professionals who make choices among multiple alternatives to achieve the organization's goal and solve issues” On average the respondents agreed with a mean of 3.85 and standard deviation of .988 with the statement. This indicated that the respondents agreed with the statement as indicated by the strong mean and heterogeneity of answers as

indicated by the standard deviation where the respondents had different opinions of the statement.

The second statement evaluated was “Corporate decision making concerns the choices faced by managers within their duties in the organization” where the respondents agreed with a mean of 3.8 and standard deviation of 1.196. This indicated that the respondents agreed with the statement as indicated by the strong mean and heterogeneity of answers as indicated by the standard deviation where the respondents had different opinions of the statement.

The third statement evaluated was “Corporate decisions is an important aspect of planning at Bralirwa” with a mean of 3.95 and standard deviation of 1.190. This indicated that the respondents agreed with the statement as indicated by the strong mean and heterogeneity of answers as indicated by the standard deviation where the respondents had different opinions of the statement. On average the respondents agreed with a mean of 3.86 with corporate decision making. This indicates that the respondents have no enough information on corporate decision making.

4.3 Testing with different models

This sections aims at testing the null hypotheses of this study in the following sub sections.

4.3 1 Related with objective one

This sub section indicated the results which were used to test null hypothesis one.

Research Objective one: To determine the role of analysis of statement of financial position in corporate decision making of Bralirwa Plc;

Research Question One: What is the role of analysis of the statement of financial position in corporate decision making of Bralirwa Plc?

Statistical results are presented in the form of stepwise regression models where they are in three phases namely:(1) model summary which indicates the overall effect using adjusted R^2 to measure the multiple regression results (2) ANOVA which is analysis of variance in the results which helps to test the null hypothesis and (3) coefficients of explanatory variables individual effects as used in the multiple regression model.

Table 4. 10: Model Summary on analysis of statement of financial position

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.788 ^a	.621	.600	5.32930

a. Predictors: (Constant), Analysis of the statement of financial position, analysis of the income statement and analysis of the statement of cash flow.

The results in above table indicated that the Adjusted R^2 is 0.621 which means the independent variables (analysis of the statement of financial position, analysis of the income statement and analysis of the statement of cash flow) jointly affect corporate decision making of Bralirwa Plc in this study.

Table 4.11: ANOVA^a On analysis of statement of financial position

Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	837.324	4	837.324	29.482	.000 ^b
	Residual	511.226	147	28.401		
	Total	1348.550	151			

a. *Dependent Variable:* Corporate decision making.

b. *Predictors:* (Constant), Analysis of the statement of financial position, analysis of the income statement and analysis of the statement of cash flow.

The results in Table above show that the F-test is positive 29.482 and that it is significant at 5% because its significance level is 0.000. Therefore, based on the results on this test, we can accept the first all null hypothesis stating that "Analysis of statement of financial position (analysis of the statement of financial position, analysis of the income statement and analysis of the statement of cash flow) have significant effect on corporate decision making". This is due to the fact that the ANOVA results indicated that there is positive and significant effect of corporate decision making in this study.

Table 4. 12: Coefficient on analysis of statement of financial position

Model	Unstandardized Coefficients		Standardized Coefficients	T	Sig.
	B	Std. Error	Beta		
(Constant)	.206	.345		.598	.550
Analysis of statement of financial position	-.355	.029	-.583	-12.246	.000
Analysis of income statement	.068	.030	.083	2.259	.025
Analysis of cash flow statement	.021	.035	.024	.607	.544

a. *Dependent Variable:* Corporate decision making

The results from Table 4.12 indicated that analysis of statement of financial position has a negative and significant effect on corporate decision making at Bralirwa ($\beta_1 = -0.583$; $t = -12.246$; $p\text{-value} < 0.05$). [This means that 1% change in analysis of statement of financial position leads to a decrease 0.583% change in corporate decision making]. The results again indicated that

there is a positive and significant effect of analysis of income statement on corporate decision making at Bralirwa ($\beta_2 = 0.083$; $t = 2.259$; $p\text{-value} < 0.05$). This means that 1% change in analysis of income statement it leads to at least 0.083% increase change in corporate decision making by Bralirwa Plc.

The results again indicated that analysis of cash flow statement has positive but significant effect on corporate decision making ($\beta_3 = 0.024$; $t = 0.607$; $p\text{-value} > 0.05$). This means that 1% change in analysis of cash flow statement leads to at least 0.024% change in corporate decision making. This means that 1% change in social factors leads to at least increase of 0.226% in corporate decision making by Bralirwa Plc.

4.3.2 Related with objective two

This sub section indicated the results which were used to test null hypothesis two.

Research Objective two: To assess the role of analysis of income statement in corporate decision making of Bralirwa Plc;

Research Question two: What is the role of analysis of the income statement in corporate decision making of Bralirwa Plc?

Statistical results are presented in the form of stepwise regression models where they are in three phases namely:(1) model summary which indicates the overall effect using adjusted R^2 to measure the multiple regression results (2) ANOVA which is analysis of variance in the results which helps to test the null hypothesis and (3) coefficients of explanatory variables individual effects as used in the multiple regression model.

Table 4. 13: Model Summary on analysis of the income statement

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.751 ^a	.564	.535	6.16699

a. Predictors: (Constant), Analysis of the statement of financial position, analysis of the income statement and analysis of the statement of cash flow

The results in above table indicated that the Adjusted R² is 0.564 which means the analysis of the income statement (analysis of the statement of financial position, analysis of the income statement and analysis of the statement of cash flow) jointly corporate decision making at Bralirwa Plc in this study.

Table 4. 14: ANOVA^a on analysis of the income statement

Model		Sum of Squares	D f	Mean Square	F	Sig.
1	Regression	739.288	4	739.288	19.439	.001 ^b
	Residual	570.477	147	38.032		
	Total	1309.765	151			

a. Dependent Variable: Corporate decision making

b. Predictors: (Constant), Analysis of the statement of financial position, analysis of the income statement and analysis of the statement of cash flow

The results in Table above show that the F-test is positive 19.439 and that it is significant at 5% because its significance level is 0.001. Therefore, based on the results on this test, we cannot accept the null hypothesis stating that "Analysis of the income statement (Analysis of the statement of financial position, analysis of the income statement and analysis of the statement of cash flow) has significant effect on corporate decision making". This is due to the fact that the ANOVA results indicated that there is positive and significant effect of corporate decision making at Bralirwa Plc.

Table 4. 15: Coefficients on analysis of the income statement

Model	Unstandardized Coefficients		Standardized Coefficients	T	Sig.
	B	Std. Error	Beta		
(Constant)	.849	.612		1.388	.166
Analysis of statement of financial position	.307	.051	.438	5.970	.000
Analysis of income statement	.117	.053	.124	2.204	.028
Analysis of cash flow statement	.236	.062	.234	3.813	.000

a. Dependent: Corporate decision making

The results from Table 4.15 indicated that analysis of the income statement has a positive and significant effect on corporate decision making by Bralirwa Plc ($\beta_1 = 0.438$; $t=5.970$; $p\text{-value} < 0.05$). This means that 1% change in analysis of the income statement leads to an increase of 0.438% change in corporate decision making at Bralirwa Plc. The results again indicated that there is a positive and significant effect of analysis of income statement on corporate decision making by Bralirwa Plc ($\beta_2 = 0.124$; $t=2.204$; $p\text{-value} < 0.05$). This means that 1% change in analysis of income statement; it leads to at least 0.124% increase change in corporate decision making by Bralirwa Plc.

The results again indicated that analysis of cash flow statement has positive and significant effect on corporate decision making by Bralirwa Plc ($\beta_3 = 0.234$; $t=3.813$; $p\text{-value} < 0.05$). This means that 1% change in analysis of cash flow statement leads to at least 0.234% change in corporate decision making by Bralirwa Plc. This means that 1% change in analysis of cash flow statement leads to at least increase of 0.228% in corporate decision making at Bralirwa Plc.

4.3.2 Related with objective three

This sub section indicated the results which were used to test null hypothesis three.

Research Objective three: To assess the role of analysis of income statement in corporate decision making of Bralirwa Plc;

Research Question three: What is the role of analysis of the income statement in corporate decision making of Bralirwa Plc?

Statistical results are presented in the form of stepwise regression models where they are in three phases namely:(1) model summary which indicates the overall effect using adjusted R^2 to measure the multiple regression results (2) ANOVA which is analysis of variance in the results which helps to test the null hypothesis and (3) coefficients of explanatory variables individual effects as used in the multiple regression model.

Table 4. 16: Model Summary on analysis of the statement of cash flow

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.908 ^a	.825	.817	5.90916

a. Predictors: (Constant), Analysis of the statement of financial position, analysis of the income statement and analysis of the statement of cash flow.

The results in table 4.16 indicated that the Adjusted R^2 is 0.825 which means the analysis of the statement of cash flow (Analysis of the statement of financial position, analysis of the income statement and analysis of the statement of cash flow) jointly affect corporate decision making of Bralirwa Plc in this study.

Table 4. 17: ANOVA^aon analysis of the statement of cash flow

Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	3465.327	4	3465.327	99.241	.000 ^b
	Residual	733.282	147	34.918		
	Total	4198.609	151			

a. Dependent Variable: Corporate decision making

b. Predictors: (Constant), Analysis of the statement of financial position, analysis of the income statement and analysis of the statement of cash flow

The results in Table 4.17 showing that the F-test is positive 99.241 and it is significant at 5% because its significance level is 0.001. Therefore, based on the results on this test, we cannot accept the third null hypothesis stating that "Analysis of the statement of financial position, analysis of the income statement and analysis of the statement of cash flow) have significant effect on corporate decision making of Bralirwa Plc ". This is due to the fact that the ANOVA results indicated that there is positive and significant effect of analysis of the statement of cash flow on corporate decision making at Bralirwa Plc in this study.

Table 4. 18: Coefficients on analysis of the statement of cash flow

Model	Unstandardized Coefficients		Standardized Coefficients	T	Sig.
	B	Std. Error	Beta		
(Constant)	5.281	.353		14.964	.000
Analysis of statement of financial position	.124	.030	.313	4.180	.000
Analysis of income statement	.004	.032	.007	.120	.905
Analysis of cash flow statement	-.120	.038	.211	-3.149	.002

a. Dependent Variable: Corporate decision making

The results from Table 4.18 indicated that analysis of the statement of cash flow has a positive and significant effect on corporate decision making at Bralirwa Plc ($\beta_1 = .313$; $t = 4.180$; $p\text{-value} < 0.05$). This means that 1% change in analysis of the statement of cash flow leads to 0.313% change in corporate decision making. The results again indicated that there is a positive but

insignificant effect of analysis of income statement has positive but insignificant effect on corporate decision making at Bralirwa Plc ($\beta_2 = 0.007$; $t = 0.120$; $p\text{-value} > 0.05$). This means that 1% change in corporate decision making; it will be lead to at least 0.007% in usage of corporate decision making at Bralirwa Plc.

The results again indicated that analysis of cash flow statement has positive and significant effect on corporate decision making at Bralirwa Plc ($\beta_3 = 0.211$; $t = 3.149$; $p\text{-value} < 0.05$). This means that 1% change in analysis of cash flow statement leads to at least 0.211% change on corporate decision making in Bralirwa Plc. This means that 1% change in analysis of cash flow statement leads to at least decrease of 0.141% in usage of corporate decision making in Bralirwa Plc.



CHAPTER FIVE: SUMMARY, CONCLUSIONS AND RECOMMENDATIONS

5.0 Introduction

This chapter presents the final summary of the research findings, the conclusion, the recommendations and suggestions for future research. Both the summary of findings and conclusion are based on the results from the field and finally recommendations are made from conclusion.

5.1 Summary of Findings

This sub section concerns the evaluation of the gender of the respondents that participated in this study. Demographic characteristics considered in the study included participants position held in the institution, gender, age, job tenure or experience and education level. These characteristics are important because they help to understand the context in which the participants responded to the questionnaire.

The study showed that majority of the respondents are male, mature enough over the age of 20 years old; majority of working experience of above two years and most respondents had an undergraduate qualification and lowest number of basic education.

5.1.1 The role of analysis of statement of financial position in corporate decision making of Bralirwa Plc

The findings in table 4.6 indicated that for the first statement that stated that "Current assets are always monitored and current liabilities are promptly paid at Bralirwa Plc" the respondents agreed with a mean of 4.55 and standard deviation of .94451 with the statement. This indicated that the respondents agreed with the statement as indicated by the mean and heterogeneity of

answers as indicated by the standard deviation where the respondents had same opinions of the statement.

The second statement evaluated was “Fixed assets are assessed for long term investment and fixed liabilities help us to invest long term assets at Bralirwa Plc” where the respondents agreed with a mean of 4.65 and standard deviation of .9333. This indicated that the respondents agreed with the statement as indicated by the strong mean and heterogeneity of answers as indicated by the standard deviation where the respondents had different opinions of the statement. On average the respondents agreed with a mean of 4.39 and standard deviation of 1.1051 with analysis of statement of financial position.

5.1.2 The role of analysis of income statement in corporate decision making of Bralirwa Plc

The findings in table 4.7 indicated that for the statement that “Sales revenues is used to expand our business operations and operating expenses are minimized at Bralirwa Plc” the respondents strong agreed with a mean of 2.05 and standard deviation of 1.276 with the statement. This indicated that the respondents strong agreed with the statement as indicated by the strong mean and heterogeneity of answers as indicated by the standard deviation where the respondents had different opinions of the statement.

The second statement was the “Operating income ensures firm liquidity and profit/loss determines future investments at Bralirwa Plc” where the respondents agreed with a mean of 3.6 and standard deviation of 1.75. This indicated that the respondents agreed with the statement as indicated by the strong mean and heterogeneity of answers as indicated by the standard deviation where the respondents had different opinions of the statement.

On average the respondents agreed with a mean of 3.825 and standard deviation of 1.517745 with the analysis of income statement has used a lot as far as respondents are concerned to increase awareness and compliance on analysis of income statement. This indicates that the respondents have enough understanding and using about analysis of income statement at Bralirwa Plc.

5.1.3 The role of analysis of cash flow statement in corporate decision making of Bralirwa Plc

The findings in table 4.8 indicated that for the first statement that stated that “Cash from operating activities is used to improve service quality at Bralirwa Plc” the respondents agreed with a mean of 4.35 and standard deviation of 1.039 with the statement. This indicated that the respondents agreed with the statement as indicated by the strong mean and heterogeneity of answers as indicated by the standard deviation where the respondents had different opinions of the statement.

The second statement evaluated was “Cash from investing activities is reinvested at Bralirwa Plc” where the respondents strong agreed with a mean of 2.30 and standard deviation of 1.454. This indicated that the respondents agreed with the statement as indicated by the weak mean and heterogeneity of answers as indicated by the standard deviation where the respondents had different opinions of the statement.

The third statement evaluated was “Cash flows are analyzed to promptly repay the debts and Cash from financing activities is used to ensure liquidity at Bralirwa Plc” this was measured by a mean of 4.15 and standard deviation of 1.136. This indicated that the respondents agreed with the statement as indicated by the strong mean and heterogeneity of answers as indicated by the standard deviation where the respondents had different opinions of the statement. On the average

the respondents agreed with a mean of 3.6 and standard deviation of 1.207 with the analysis of cash flow statement. This indicates that most respondents appreciate to use of analysis of cash flow statement.

5.1.4 The corporate decision making at Bralirwa Plc

The findings in table 4.9 indicated that for the first statement that stated that "Corporate decision-makers are the professionals who make choices among multiple alternatives to achieve the organization's goal and solve issues" On average the respondents agreed with a mean of 3.85 and standard deviation of .988 with the statement. This indicated that the respondents agreed with the statement as indicated by the strong mean and heterogeneity of answers as indicated by the standard deviation where the respondents had different opinions of the statement.

The second statement evaluated was "Corporate decision making concerns the choices faced by managers within their duties in the organization" where the respondents agreed with a mean of 3.8 and standard deviation of 1.196. This indicated that the respondents agreed with the statement as indicated by the strong mean and heterogeneity of answers as indicated by the standard deviation where the respondents had different opinions of the statement.

The third statement evaluated was "Corporate decisions is an important aspect of planning at Bralirwa" with a mean of 3.95 and standard deviation of 1.190. This indicated that the respondents agreed with the statement as indicated by the strong mean and heterogeneity of answers as indicated by the standard deviation where the respondents had different opinions of the statement. On average the respondents agreed with a mean of 3.86 with corporate decision making. This indicates that the respondents have no enough information on corporate decision making.

5.2 Conclusion

The researcher concluded that various financial statements are prepared by Bralirwa Plc and they include balance sheet, income statement and cash flow statements. The financial statements prepared are analyzed in order to find the various ways through corporate decision making enhanced. Hence meaning that financial statement analysis contributes to the corporate decision making of Bralirwa Plc.

The researcher concluded that the various factors necessary for the financial performance of Bralirwa Plc are availability of capital, market availability, committed employees, and forecasting and a Bralirwa Plc reputation and that Bralirwa Plc performs well due to financial statement analysis carried out.

The researcher also concluded that forecasting future financial statements analysis (23%), to assess financial performance (27%), to make financial statements analysis (14%), to compare variations in financial performance (9%) and to compare with expectations of financial performance (27%). Corporate decision making of Bralirwa Plc is described as good because of the benefits that accrue from financial statement analysis. The cooperative has therefore taken full advantage of financial statement analysis.

Last but not least, the researcher concluded that the benefits of financial statement analysis in cooperatives are facilitating making of realistic plans and policies, increased financial performance and, leads to earning of more profits, increasing a cooperative reputation, large market share and correcting mistakes made in time and that there is a positive relationship between financial statements analysis and corporate decision making of Bralirwa Plc.

5.3 Recommendations

Based on the findings of this study, this research report recommends that since there is significant influence of financial statements analysis and corporate decision making with case of Bralirwa Plc, the following recommendations were made:

In order to make strong financial service, the researcher suggests to Bralirwa Plc to assess the services of the competitors constantly to improve its services and to provide the products wanted in time so that they are always more competitive on the manufacturing market by basing on the effective financial analysis strategies. The leaders of Bralirwa Plc, who have manufacturing activities into their attribution and responsibilities, are suggested:

To allow manufacturing market actors to learn from each other's experiences, building on expertise and knowledge;

To contribute in transparency and accountability of manufacturing markets and allows for lessons to be shared more easily;

To reveal manufacturing markets mistakes and offers manufacturing sales paths for learning and improvements;

To provides a way to assess the crucial link between implementers and beneficiaries on the ground and marketing decision-makers;

To act according to the legal framework at the organization level of financial analysis strategies.

5.4 Areas for further research

The current researcher would like to provide the partial suggestions regarded to further researchers who are willing to carry out their research, thus they are suggested to take reference

to this research project in order to improve their research and information findings. Therefore, the future researchers are suggested to work on the following research topics:

1. Assessment of the challenges faced by financial analysis strategies towards private organizations' performance.
2. The impact of decision making towards banks' performance in Rwanda.
3. Factors affecting financial statement analysis in commercial banks.

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APPENDICES

APPENDIX I

1.1 Researcher's Introduction

Dear respondent,

I am a student from Mount Kenya University and I am pursuing a Master's Degree in Business Administration (presents the student identification documents or passport). I am conducting a study on the role of financial statement analysis in corporate decision making in Rwandan manufacturing firms.

1.2 Seeking Consent

You are requested to fill the survey questions that are attached at the back so that you enable me to complete my academic requirements for the award of the doctorate degree. The study is solely academic and the findings of this study will only serve academic purposes.

1.3 Confidentiality and Right to withdraw

Your privacy and confidentiality will be highly protected as names, titles and addressees of respondents will not be included in the report. Your participation is purely voluntary and you are free to withdraw from the study at of your choosing without seeking permission and without any fear. If you choose to withdraw, the partial information you will have provided will not be included in the study and will be immediately destroyed.

1.4 Obtaining Consent

I have read and explained the contents of this consent form to the research participants before receiving their consent. The participant understood the contents of this form and the reasons for the study.

Researcher's Signature

Date

1.5 Respondents' Signed Consent

I have understood the contents of this consent form and the objectives of the study. I agree to provide the information to the questions contained in the questionnaire survey.

Name of Participant (optional)

Signature (Optional)

Telephone number (Optional)

Date

I accept to fill the questionnaire

Yes: ___ No: ___

I allow the researcher to use the name of this organization

Yes: ___ No: ___

I want to remain anonymous in the study:

Yes: ___ No: ___

I prefer a fictitious name:

Yes: ___ No: ___



APPENDIX II: QUESTIONNAIRE FOR BRALIRWA PLC

MANAGEMENT AND STAFF

SECTION C: QUESTIONNAIRES RELATED WITH FINANCIAL STATEMENTS ANALYSIS

For all the statements in this section a scale of 5 possibilities (each having a representative number such as: 1=Strongly Disagree 2= Disagree 3= Neutral 4= Agree 5= Strongly Agree) is provided right in front of each statement. Please circle the number which best represent your opinion about the statement; for example, if you strongly agree with the statement, please circle number 5. If you just agree with the statement, circle number 4 and so on accordingly. There is no right or wrong answer. All that the researcher is interested in is the number that truly reflects your opinion on the statements given in respect of your institution.

	Statements					
1	Analysis of statement of financial position					
	Current assets are always monitored and current liabilities are promptly paid at Bralirwa Plc;	1	2	3	4	5
	Fixed assets are assessed for long term investment and fixed liabilities help us to invest long term assets at Bralirwa Plc;	1	2	3	4	5
2	Analysis of income statement					
	Sales revenues is used to expand our business operations and operating expenses are minimized at Bralirwa Plc;	1	2	3	4	5
	Operating income ensures					

	firm liquidity and profit/loss determines future investments at Bralirwa Plc;	1	2	3	4	5
3	Analysis of cash flow statement					
	Cash from operating activities is used to improve service quality at Bralirwa Plc;	1	2	3	4	5
	Cash from investing activities is reinvested at Bralirwa Plc;	1	2	3	4	5
	Cash flows are analyzed to promptly repay the debts and Cash from financing activities is used to ensure liquidity at Bralirwa Plc;	1	2	3	4	5

SECTION D: QUESTIONNAIRES RELATED WITH CORPORATE DECISION MAKING

	Statements					
1	Corporate decision making					
	Corporate decision-makers are the professionals who make choices among multiple alternatives to achieve the organization's goal and solve issues	1	2	3	4	5
	Corporate decision making concerns the choices faced by managers within their duties in the organization	1	2	3	4	5
	Corporate decisions is an important aspect of					

	planning at Bralirwa	1	2	3	4	5
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