

# **MAKERERE UNIVERSITY**

**APPLICABILITY OF RESPONSIBILITY ACCOUNTING IN INSTITUTIONS; A CASE  
STUDY OF HIGHER INSTITUTIONS  
OF LEARNING IN UGANDA**

**BY  
BYARUGABA MARK  
2011/HD06/3204U**

**A RESEARCH REPORT SUBMITTED TO THE COLLEGE OF BUSINESS  
AND MANAGEMENT SCIENCE IN PARTIAL FULFILLMENT OF THE  
REQUIREMENTS FOR THE AWARD OF A MASTERS DEGREE  
IN BUSINESS ADMINISTRATION OF MAKERERE UNIVERSITY**

**JUNE, 2013**

## ABSTRACT

The study focused on “*Applicability of Responsibility Accounting in Institutions of higher learning*”; with specific reference to higher institutions of learning in Uganda. The specific objectives of the study were to: explore the meaning and understanding of the concept of Responsibility Accounting; establish the forms/types of Responsibility Accounting systems; examine the rationale of using Responsibility Accounting to institutions and to assess the challenges/weaknesses organizations face in applying Responsibility Accounting

The researcher reviewed related literature in chapter two which was compared to findings in chapter four. The study employed a cross-sectional research design and purposive sampling was used to select 110 respondents who participated in the study. The researcher used the questionnaires and interview guide to collect data. Quantitative data was analysed using percentages, figures, pie charts, tables and graphs. Qualitative data was analysed using a qualitative approach for purposes of comparisons and inferences.

Results revealed that both UCU and KYU utilized RA to divide the functions of entire organization into responsibility centres with a high degree of application. However, on comparison of the degree of efficiency between UCU and KYU, UCU was found to be 10% more efficient than KYU. Further still RA helped in clear identification of positions of responsibility, in the responsibility centres which however did not depend on the style of the standard costs in the preparation of budgets.

It was therefore concluded that, Private Institutions apply RA more efficiently compared to public institutions because of routine coordination and interaction of responsibility centres. Though in both institutions there was less monitoring and evaluation systems in unit centres which limited the degree of accuracy in discharge of responsibilities in some departmental units. thus realization of the value of responsibility accounting was low for both universities..

The study recommended that Institutions of higher learning should grant responsibility to people with sufficient authorities, power, and competency consistent with the responsibilities assigned to them. Further still, the institutions of higher learning should strengthen monitoring and evaluation systems to improve efficiency in departmental units.

Further research should be conducted to examine the impact of application of responsibility accounting on operational efficiency in SMEs.