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DEPARTMENT OF ACCOUNTANCY

EVALUATING COST CONTROL MANAGEMENT TECHNIQUES IN MANUFACTURING INDUSTRIES AND THEIR EFFECTS ON FIRM PROFITABILITY. A CASE STUDY OF VALLEY SEEDS

BY

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RELEASE FORM

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The undersigned attests that they have perused and approved for acceptance by Bindura University of Science Education the research project entitled "**EVALUATING COSTS CONTROL MANAGEMENT TECHNIQUES IN MANUFACTURING INDUSTRIES AND THEIR EFFECTS ON THE FIRM'S PROFITABILITY. A CASE STUDY OF VALLEY SEEDS**", submitted in Partial fulfilment of the requirements of Bachelors of Accountancy Honours Degree.

To be completed by student

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

Signature of student . Date 25.08.2026

To be completed by the supervisor

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

Signature of supervisor:  Date 26/08/2026

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

Signature of Chairperson  Date 26/08/2026

DEDICATION

This work is dedicated to my friends for their unwavering support and encouragement, and to my family for believing in my ambitions and working tirelessly to help me achieve this level. I also want to express my gratitude to my instructors and professors for their hard work and inspiration in getting me here.

ABSTRACT

The study examined how cost-control strategies affected profitability. The study, which focused on Valley Seeds in Pomona, was conducted between 2025 and 2026. Examining how cost management strategies impact financial performance, especially profitability, was the main goal of the study. A research design based on case studies was used. The census was used to choose a sample of 35 employees. The data was gathered using structured questionnaires. The study looked at the relationship between budget control and profitability. The connection between profitability, cost allocation, and the goal of cost management was also investigated.

The study concluded that cost allocation, profitability, and budget control are positively correlated. The study suggests that the company establish a responsible budgeting system to ensure that budgets are reasonable, attainable, and consistent with business objectives, as well as a comprehensive cost allocation framework in order to guarantee that expenditures are distributed effectively and efficiently. The researcher concluded by suggesting that the business carry out more study on other factors related to cost reduction, such as inventory management and efficiency improvements.

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We would especially want to thank all of the Valley Seeds employees who took part in this survey. The support humbles me.

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CHAPTER 1

INTRODUCTION

1.0 Introduction

This chapter gives an overview of the study, which evaluates Cost Control Techniques in manufacturing industries and their effects on firms' profitability, "Case Study of Valley Seeds." It provides a comprehensive overview of the research by describing the study's context and history before identifying the research challenge. Additionally, the chapter provides research objectives and the questions that the study seeks to answer. Furthermore, it discusses the study's importance, the presumptions, delimitations, definition and constraints encountered, and concludes with the summary. This structure lays a clear foundation for understanding how cost control techniques influence profitability of Valley Seeds.

1.1 Background to the Study

The industry of manufacturing decreased profitability due to rising manufacturing costs and declining sales revenue has made it necessary for me to conduct this research in order to address the issue. Cost control, as defined by Fadare and Adegbile (2020), is the administration of actual or projected costs that a company or organization will spend. It might be used by a business organization to plan ahead and avoid unnecessary spending. To put it simply, it's the method by which management assesses and improves operations or production processes in an attempt to keep costs under control and prevent future increases. As per Adeleke (2017), a significant portion of Nigerian businesses that failed to effectively manage their expenses either sold to bigger companies or amalgamated with different companies to establish a one business. Consequently, a lot of companies have moved to neighbouring nations (Abdul & Isiaka, 2015). Even in the present economic climate, no company could survive long enough to predict its costs with any degree of accuracy. It follows that any company that wants to operate profitably needs to implement cost management practices. Bloch (2014) detailed the collapse in the manufacturing sector, including the closure of some businesses and the reduction in production levels by others.

Since 2008, a number of factors have contributed to this drop, including widespread hyperinflation, which raised production costs, decreased consumer disposable income, and

limited investment opportunities. Despite improvements following dollarization, Bloch (2014) noted that inflation was fought and that the primary causes of rising expenses were an enormous increase in their pay and benefits, materials, and other expenses, as well as an increase in production costs. The operations, profitability, and performance of an organization are unquestionably adversely impacted by rising costs (Bloch, 2014). Brumbaugh (2008) believed that businesses should keep an eye on expenses and let the profit take care of itself. An essential component of any company endeavour is cost control. Without using sensible methods to monitor its expenses and make sure they don't exceed the projected costs; no company would remain in operation. Inadequate cost control may have detrimental effects on the business's ability to operate smoothly. A budget provides regular costs for cost control purposes, according to Hamilton, M. M 1998. Management of the business must make sure that real expenditures and budgeted costs constantly stay within the expected estimates.

Delta's Beverages financial results over the previous six months, which ended in September 2016, a manufacturer of both beverages with and without alcohol, reported revenue fell by 10% between March and December of 2014. Since 2014, its revenue has been declining, and in the six months ending in September 2016, to US$246.6 million, significantly affecting its profitability (Mhlanga, 2017). In their 2013 study on how cost Control has an impact on manufacturing sectors' profitability, Siyanbola and Raji noted that cost control is crucial for all business concerns because failure to do so will always have an impact on earnings. Additionally, they discovered that cost control removes waste in the administrative, sales, distribution, and production operations. The budget was thought to be the primary instrument for attaining efficient cost control in the West African Portland Cement Company research.

Furthermore, Mhlanga (2017) observed that weakening local industry, reduced demand, cost constraints, and shortages of foreign currency competitiveness were some of the factors contributing to Zimbabwe's industries' deteriorating operating environment. This led to muted performances from numerous businesses. Many manufacturing companies did not see an increase in sales as a result of the weak economy, and those that did saw declines in the rate of growth (Mhlanga, 2017). Confederation of Zimbabwe Industries (2017) believed that in order for Zimbabwe's cost structure needed to be addressed in order for the manufacturing industry to boost its capacity and profitability, as seen by the capacity utilization falling from 47.4% in 2016 to 45.1% in 2017. Costs were one of the primary problems restricting capacity utilization., which in turn affected the cost of the final product. Businesses must implement cost control procedures in order to manage expenses and boost profitability (Abdul and Isiaka, 2015). As a

result, the researcher has conducted a thorough analysis of how cost control affects Valley Seeds Pvt Ltd.'s profitability.

1.2 Statement of the Problem

The problem is still to find a balance between the costs of the company and its liquidity. Even where there are cost-cutting measures in place, it remains a challenge to deal with the risks associated with them. Valley Seeds recorded operational losses during 2023–2024 due to rising production costs, ineffective budgetary controls, and weak cost allocation systems. These challenges affected profitability and liquidity, necessitating an investigation into the effectiveness of cost control techniques. The continued financial deterioration put at-risk Valley Seeds capacity to maintain service delivery, meet financial obligations and maintain long-term operational viability.

1.3 Study objectives

i. To examine the effect of cost control management on Valley Seeds' profitability
ii. To investigate how Valley Seeds profitability is affected by cost allocation
iii. To investigate how Valley Seeds profitability is affected by budgetary control

1.4 Research questions

i. To what extent does cost control management influence profitability at Valley Seeds?
ii. To what extent does cost allocation influence profitability at Valley Seeds?
iii. To what extent does budgetary control influence profitability at Valley Seeds?

1.5 The study's significance

1.5.1 For the Researcher

The researcher's knowledge of cost control techniques utilized in different sectors will grow as a result of this study. It will also be quite beneficial to learn about cost-cutting tactics and how they impact profit maximization. Additionally, the research assisted the researcher in meeting the requirements for his undergraduate studies at Bindura University of Science Education.

1.5.2 In regards to the University

The research will showcase the many cost-control techniques when it is finished. employed in the procedure, as well as the prerequisites for a successful cost control system and comprehend the consequences of employing ineffective cost control strategies. Other undergraduates

studying cost control will find this useful. Additionally, the inquiry will yield additional details regarding the university library.

1.5.3 To Valley Seeds

The study may also assist the organization in pinpointing areas where the implementation of control measures could lead to increased cost savings. Additionally, the study will assist the company in comprehending the possible hazards linked to cost control tactics and how to reduce them.

1.6 Assumptions of the study

i. The information offered is impartial.
ii. All of Valley Seeds responses are representative of other manufacturing businesses.
iii. The population that was chosen is very knowledgeable about the topic.

1.7 Delimitations

The investigation was conducted out in Harare. The Valley Seeds Finance Department is one of the study's target populations. This study is restricted to industrial businesses cost control, businesses thus, it cannot be applied to other sectors of the economy.

1.8 Limitations

i. Those surveyed may be reluctant to cooperate or answer for reasons of confidentiality or work pressure. The researcher will focus on the primary sections of the survey to save respondents' time.
ii. Certain requested information might not be made public because the business may consider it to be extremely confidential. Information usage clarification: the information.
iii. The researcher had a limited budget, especially since mobile data was fairly expensive when collecting online research data. Although the researcher's financial resources were crucial to the study's success, he tried to find additional financing sources.

1.9 Definition of key terms, Abbreviations and Acronyms

i. The difference between income and expenses incurred during company operations is known as profitability.

ii. Budgetary control is the process of monitoring and managing an organization's financial assets to ensure that they are utilized in accordance with the established financial plans and budget.

iii. Cost control is the procedure for monitoring, regulating, and cutting costs to ensure profitability.

1.10 Chapter Summary

An introduction, the study's history, the issue description, its objectives, and research questions were all included in this chapter. The bounds and delimitations of the study were also discussed. The upcoming chapter will be devoted to the literature review.

CHAPTER 2

LITERATURE REVIEW

2.0 Introduction

This chapter's goal is to provide a succinct summary of the body knowledge known pertaining to the topic of the study in question. The chapter highlighted the research gap, analysed the outcomes of both empirical and theoretical data providing a brief summary. It comprises their own unique perspectives, specific fields of expertise, data from prior research, and conclusions.

2.1 CONCEPTUAL FRAMEWORK

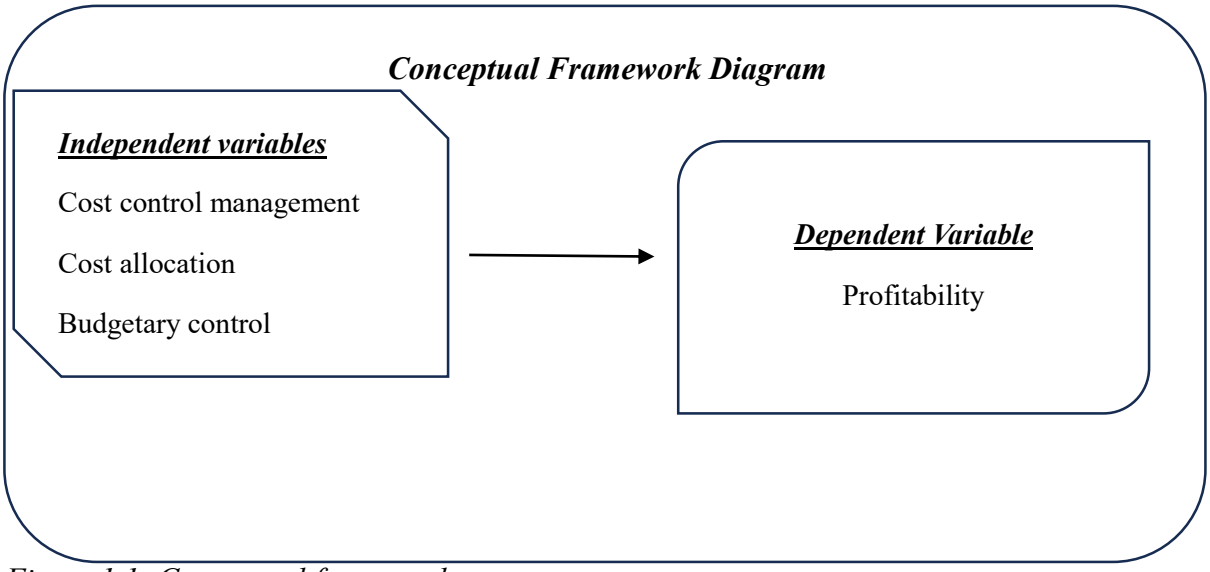


Figure 1.1: Conceptual framework

2.1.1 Cost control management

As indicated by Akeem (2017), setting a benchmark and maintaining performance in line with it is the process of cost control. Cost management consequently, it is crucial for a company since it limits excessive expenditure. It focuses mostly on a part of the marginal cost process that entails figuring out unit costs while keeping spending to a minimum (Akeem, 2017). According to Adeleke (2014), cost containment is crucial as it is a key component of all businesses and, as such, serves as their bottom line. In order for an organization to be lucrative,

management has to be well-versed in every aspect that influences and propels profit. Among the most crucial aspects is costs (Adeleke, 2014).

Support was offered by Abdul and Isiaka (2015), who said that, as long as all variables influencing a business's costs and profits are recognized, the objective of cost control management is to raise shareholder value and profit. Furthermore, Oyerogba et al. (2014), cited by Abdul and Isiaka (2015), came to the conclusion that efficient cost management is required for any business to record a sizable profit since a business with a sound and acceptable cost structure has a better chance of hitting its profit objective. For a corporation to avoid excessive spending, cost control is essential. Initiatives to reduce costs should enhance management effectiveness and, lead to actions being made to reduce expenses for profit, stop fraud, and boost production if necessary (Akeem, 2017). Akeem (2017) lists the following benefits of cost control: effective labour and material utilization; a simple control that can be applied to every facet of operations, from acquiring items to accounting for sales; and the simplicity with which management can make policy decisions. It prevents material overstocking and ensures adequate productivity (Akeem, 2017). Cost minimization in an organization typically focuses on four major areas of spending. These regions are: Overhead, Sales, Labor, and Materials Manufacturing-related expenses that cannot be clearly linked to a particular output unit are known as overheads, and they are often decreased through more efficient techniques of absorption, allocation, and apportionment. Because wage rates are sometimes limited by minimum wage laws and union agreements, labour expenses are more challenging to regulate. Increasing production per worker more quickly than pay will improve total productivity, which is the only practical method of lowering labour expenses per unit.

However, poor handling and ineffective utilization on the manufacturing floor typically drive increased material costs rather than rising material prices. Waste reduction is therefore management's only lever. Generally speaking, the cost of sales is managed by making sure that the expenses incurred in reaching sales objectives do not surpass the income they produce. These four categories collectively represent management's main tools for cost reduction (Drury, 2019).

Akeem (2017) proposed that cost control and reduction to a manageable level are important to a corporation for increased profit development. If organizations want cost management to be effective, they have to include strategies for cost reduction and management into their operations. The absence of behaviour control strategies such as incentives and rewards, which

motivate staff to accomplish the desired goals and objectives, affects the effectiveness of cost management (Akeem, 2017).

2.1.2 Profitability and its effects on cost allocation

According to Joreme (2011), a list of various offerings (such as a service catalogue) and a method of tracking which companies provide an item or service and which companies utilize it are the essential elements of a cost distribution system. The cost distribution information can be used to generate an internal invoice or supplied into the chargeback module of an Enterprise Resource Planning (ERP) system, depending on how a business is configured internally. Weaver and Lyons (2020) state that obtaining data from an invoice or chargeback module is a typical method of influencing employee behaviour. In return, the consumption data becomes an important quantitative tool for improved commercial decision-making. Businesses are currently under more and more pressure to reduce costs and encourage responsible resource management (Anderson & Sharma, 2020). In this context, a business must adhere to stringent budgetary constraints and provide reasonably priced, commercially valuable goods and services.

A corporation may monitor cost recovery, distribute expenditure among company segments, and use an effective cost allocation strategy to ascertain what services are provided and at what cost (Kaplan and Cooper, 2015). This model provides information on each client's unique service requirements and use, and also how these elements impact total expenses. As a result, this information helps the organization's overall financial discipline as well as the internal discipline of the business divisions (Singh & Kapoor, 2021). When the business controls the expenses of services provided, its divisions are enabled and motivated to decide on the facilities and accessibility needs they have. By contrasting internal costs with those of external suppliers, they are able to trade off service levels and costs.

Constance (2010) asserts that every business must outline its costs. Details regarding who interacts with the organization, how funding is allocated within it, and what it does and how it does it give a foundation for this knowledge. There are only three types of indirect expenses, based on the Uniform Guidance of the Office of Budget and Management: direct, indirect-administrative (overhead), and indirect. By precisely defining and allocating fees, it is feasible to completely capture the real cost of service. Costs that are directly related to the ultimate cost goal are known as direct costs. Danladi (2012) states that by assigning costs to particular projects and items, Costs of inventories and products sold may be computed. These allotments

often meet the demands of financial accounting.

However, as said earlier, managers often utilize the expenses for planning, performance evaluations, and management inspiration (Cooper & Kaplan, 2019). to be reimbursed or to justify costs. Sometimes expenses can be used to properly determine prices, or an accepted offer might need to be backed up. For instance, government contracts can contain a price that covers both profit margin and expenditure reimbursement (Drury, 2019). In these situations, the market often sets prices through cost allocations. According to Stefania and Sgardea (2009), expenditures should be allocated according to cost pools, ideally maintaining distinct pools for fixed and variable expenses. To provide a basic level of service, fixed expenditures for service departments should be distributed via prearranged monthly lump payments. Variable expenditures should be allocated using a predefined standard unit rate for the services actually rendered (Horngren et al., 2022). Generally speaking, it is best to only assign an organization's fundamental expenditures for which department-specific utilization metrics are available. The step-down technique and the direct method are the two approaches for allocating service department expenses. Regina (2012) argued that items are often assigned to joint costing for inventory valuation and profit calculation using units of measurement or the relative-sales-value technique. However, decisions shouldn't be influenced by these distributions. Activity-based pricing is increasingly being used. Allocating costs to an organization's operations is the first step. Cost drivers are then utilized to connect costs to particular products or services by quantifying the causes of an activity's expenses.

2.1.3 Effects of budget control on profitability

Malcom and Harris (2010) argue that the Cost and Management Accountants Institute (CIMA) defines budgetary control as developing budgets that link managerial responsibilities to policy requirements and regularly comparing actual and budgeted results to make sure the policy's goal is met by a specific act or to provide a basis for its modification. Budgetary control's primary goal is to help managers plan and regulate resource utilization in a clear, methodical manner so they can achieve their financial objectives. Profit satisfaction, or generating a level of earnings that is satisfactory, and profit maximization, or generating the most profit. Using non-financial and financial budgets that take into consideration all aspects of the company's operations and are predicated on its forecasts for the future, the company will next outline its financial plans (McMahon, 2014).

According to Bendney and Coiston (2015), small business owners typically act as their own manager. However, when a business grows, it frequently divides into smaller divisions and assigns a specialist manager to supervise each division, with several specialized line managers handling various obligations to guarantee the company will accomplish its goals, choices must be made within the context of an overall plan as a budget will force management to think strategically and anticipate possible consequences. As a result, the organization must have a formal planning and control structure that outlines the objectives for both the corporation as a whole and each functional unit. The need for financial limits was thoroughly examined by Ecoman-competence and training (2011). Budgetary control identifies the sources of business and financial data that, when combined into budgets, offer information on financial and corporate plans (Hoffman & Cashin, 2021). It also outlines the financial and fiscal abilities required to make better choices, whether for a new company venture or an ongoing operation. Finally, it combines cost-control strategies with the organization's strategic strategy and budgets. Learn about activity-based costing and budgeting, as well as how to use innovative vs conventional budgeting strategies.

Analyse cash flows and capital budgeting techniques; identify the company's key financial indicators and when and how to monitor them; take into account the limitations and disadvantages of fiscal oversight and look for alternatives; acknowledge the importance of finding a balance between the company's non-financial and financial aspects; Examine budgets and performance metrics as communication tools. Finally, support the utilization of resources and think beyond the box (Welsch et al., 2018). Each organization employs labour and capital to achieve its financial objectives, but only to a certain degree. A company's many departments gain from better coordination and communication of all operations and activities (Merchant & Van der Stede, 2017). Using clearly defined objectives and monitoring successes by involving employees in budget preparation helps encourage the management. This strategy can also be used as a template for research and development management in the future. Planning ahead enables coordinated action, which compels management to think ahead (Drury 2018). Given that it results in improvements in cost management, waste reduction, and production efficiency, this is possibly the most important factor in the success of any organization.

2.2 Theoretical Review

2.2.1 The Agency theory

William Meckling and Michael Jensen initially created agency theory in 1976. The theory describes the interaction between agents (managers) and principals (owners or stakeholders), as well as the kind of conflict that can occur when agents prioritize their personal interests over those of the business. A few fundamental presumptions underpin agency theory. One of the key arguments made According to Jensen and Meckling (1976), managers who are kept away from the owners may not maximize shareholder value. Information asymmetry is the second principle of agency theory, which allows for potential for inaccurate reporting or wasteful resource utilization since agents are more knowledgeable about how businesses operate than principals.

While trying to ensure that managers adhere to the principals' goals, the theory also shows the existence of agency costs, such as residual losses, bonding costs, and monitoring expenses. To address these issues, control methods are supported by agency theory: Analysis of budgets and variances for organizational financial accountability by emphasizing the tension between the monitoring systems and the management (agent) and stakeholders (principal). The relationship between cost-control strategies and financial success is explained by agency theory. Managers may behave in their own best interests, according to Michael C. Jensen and William H. Meckling (1976). Budgeting and cost allocation are examples of cost control strategies that are used to monitor management and make sure the organization's resources are being used effectively. By successfully adopting cost control methods, This eventually raises total financial performance by enhancing revenue performance, cash flow management, and operational effectiveness. Budgeting, standard costing, and restructuring are examples of cost management aspects that are employed in the research as monitoring tools to increase accountability and transparency.

2.2.2 Balanced score Model

The widespread use of the Balanced Scorecard approach has been observed by several scholars and researchers. Neely (2005). The BSC is thought to be the most popular performance measuring model now in use and is utilized extensively in practice (Rigby, 2001). The BSC was developed in 1992 by Robert Kaplan and David Norton because they believed that financial measurements alone would not be sufficient to evaluate an organization's economic efficiency. The BSC serves as the basis for management systems and strategic measurement by

describing a company's goal and approach using a wide range of performance indicators. Norton and Kaplan, 1996). The BSC can also described as an integrated performance measurement system (IPMS) (Moufty and Kader 2011). The BSC serves as an example of the necessity of striking a balance between financial and non-financial metrics, as well as between internal and external viewpoints. All four perspectives are essential to the organization's long-term success.

Evaluation of the Balanced Score Card.

Critics have not kept quiet despite the fact that BSC's importance and impact on writing are well understood. According to Smith (2005), the BSC does not take into account the rivals of the organization, despite the fact that competitors are important players in the business environment and should not be overlooked. Instead, it exclusively concentrates on the four viewpoints. This suggests that It is a set of performance metrics that includes every crucial critical success factor (CSF) to the business operations strategy point and are logically related to one another. Three layers make up IPMSs. The network connecting the CSFs and the strategic goals is described in the first layer. The business model is the name given to this layer. This model demonstrates how a company may implement a strategy by utilizing the cause-and-effect connection.

The performance dimensions, which represent the important CSFSs from the organization's point of view, are shown in the second layer. The measurements for these dimensions make up the final layer. Consider the organization's competitors, even though they are significant participants in the economic world and shouldn't be disregarded. Rather, it focuses only on the four perspectives. Additionally, Neely et al. (2001) argue that despite the BSC's advances, the world has adopted new priorities due to other factors including technology and economics. These are not taken into consideration by the BSC model. Furthermore, Neely et al. (2001) argued that although the BSC idea has validity, it provides no guidance on how appropriate metrics can be identified, put into practice, and applied to company management. Some scholars claim that because the model was developed largely for manufacturing engineering firms, it is less suitable for other industries (Kaaijenbrink, 2012). The BSC model is therefore partly useful as it establishes a basis for performance measurement by linking performance indicators to the organizational strategy and strategic objectives as shown. The theory shows that profitability should be evaluated using both operational efficiency and internal processes not financial metrics always.

2.2.3 Activity based costing theory (ABC)

ABC was based on highly applicable research conducted at a few leading US corporations by Cooper and Kaplan (1992). The economics of the operational processes are better represented by ABC than by conventional methods. It was proposed as a substitute for conventional costing methods (Drury, 2018). In fact, ABC gets beyond the drawbacks of conventional pricing by identifying cost drivers. This enables a company to get better data in order to understand how a task behaves and pinpoint the fundamental reasons behind overhead expenses (Tseng and Chien, 2007). Businesses get a deeper understanding of their cost systems, cost actions, and corporate procedures via ABC assessment. As a result, they are better at managing expenses, the amount of value added, and the framework of their methods, reactions (Mansor et al., 2012).

Through a thorough examination of activities and related costs, organizations can identify opportunities for cost management and reduction by eliminating some or all nonvalue-adding tasks to improve time and resource utilization (Kaplan and Anderson, 2007). Therefore, ABC may be used to encourage greater efficacy and better execution along the whole chain of value. By identifying lucrative and losing items, learning more about cost accuracy may aid in improving price selections. In the words of Drury and Tayles (2006), this might result in enhancing the product variety by altering the product mix to improve financial outcomes. Additionally, the ABC study emphasizes possible benefits of operational advantages, for enhanced quality (Bescos and Charaf, 2013), reduce expenses (Young, 1999), and higher process efficiency (Cagwin and Ortiz, 2005). Improving operational success does not necessarily translate into greater financial performance, even if it is plausible that there may be such a link. For example, a company that wants to stand out from the competition by responding to customer requests quickly and adaptably might deliberately keep some capacity open to do so.

As a result, even while their supply dependability and reaction time metrics can be outstanding, their process efficiency and capacity utilization metrics might be worse, particularly when compared to the cost-leader, for instance. According to the ABC literary work, businesses may benefit from implementing ABC if they use it extensively for a number of purposes (e.g., budgeting, performance measurement, pricing decisions, product design, costing, and outsourcing) (Drury and Tayles, 2005; Cagwin and Bouwman, 2002. According to Maiga and Jacobs (2008), One may expect the benefits of a new idea, like ABC, to depend on how well it is absorbed by a company under the system. As a result, the degree and intent of use may have different effects on managerial choices and, consequently, on how well the technique is applied.

Therefore, it's feasible that utilizing ABC more frequently and to a larger amount might enhance organizational performance. The theory supports the study because accurate allocation of costs improves pricing decisions and profitability.

2.2.4 The Dynamic Principle of Profit by Clark (1991)

Clark's (1991) Dynamic Theory of Profit states that profit is the difference in cost and pricing that is left over after economic shifts like population growth (which lowers wages), increased capital supply (which lowers interest rates and, consequently, The capital cost), innovations (which lower costs), higher inventory (which raises prices even though the cost of production remains the same, possibly because of inflation or increased demand), and organizational structures (which lower costs). This notion is also referred to as the windfall hypothesis of earnings. Because it sees profits as a price residue that remains after expenses are deducted, this theory is known as A hypothesis of residual profits. A stagnant an economy is one where little change or remains unchanged. For example, the manufacturing process remains unaffected, the goods are homogenous, the marginal item in every industry never changes, and while the elements of production are free to roam, capital and people stay in the same locations.

Moreover, there is no uncertainty or danger. On the other hand, population expansion, technical developments in the industrial sector, changing and growing consumer needs, organizational structure changes, and an increase in capital are the main changes that define a dynamic economy. Operating in a changing environment and taking advantage of chances to promote his business, reduce costs, and boost sales is an entrepreneur's primary duty (Horngren, 2005). According to Clark, businesses who can take advantage of these changes in the dynamic market can transform a typical profit into pure profit. Pure profits are short-lived since the leader's threat is swiftly absorbed by the competitors. As a result, there is an increase in demand for the manufacturing components, which raises their prices and the overall cost of production. However, as a product's price drops for a given amount of demand, pure gains are removed when output rises (Kellerman, 2010).

Clark claims that profit is thus an elusive sum that a business owner can aim for but cannot maintain since it eludes them as it distributes to every member of society. It is important to understand that revenues in a changing economy do not appear to momentarily exist before receding, despite what Clark's dynamic model of profit says.

However, in order to sustain above-average profitability, the savvy manager or business owner must take advantage of the regular general adjustments (Shrank, 2001).

2.3 Empirical Evidence

2.3.1 Akeem (2017): how cost-cutting and control strategies affect an organization's performance. An analysis of Nigerian businesses.

Cost control, reduction, and profit were shown to be significantly correlated in Akeem's (2017) research on how cost-cutting and cost-management techniques affect corporate success. The study concluded that in order to ensure more profit development, a business must control and reduce expenditures to a tolerable level. The study approach used was a descriptive survey. One kind of study instrument was a questionnaire. Additionally, Abdul and Isiaka's (2015) analysis of a subset of manufacturing companies demonstrated a strong link between cost control and profitability. Questionnaires were randomly distributed to Nigerian industrial enterprises, and the data was analysed using non-parametric and descriptive metrics.

2.3.2 Oyerogba et al (2014): the relation between cost management methods and success in manufacture firms. An analysis of the Nigerian hospitality sector

In addition to the previously mentioned, a positive association between cost management and an organization's overall performance was found in Oyerogba et al.'s (2014) investigation on the connection between manufacturing companies' performance and cost control strategies. The study was conducted in Nigeria and made use of secondary data. Pearson Regression Analysis and statistics were employed for the analysis. Furthermore, Oyadonghan and Ramond's (2014) study discovered a positive correlation between a business's profitability and effective cost control. Data from Nigeria's hotel sector was gathered through a survey, and the results were examined using correlation analysis.

2.3.3 Bamwesigye (2019): Cost measures and profitability in industrial enterprises within western Uganda: A Particular instance of G.B.K group of enterprises Ltd in Mbarara Municipality

The study looked at a Ugandan manufacturing company's financial performance and methods for controlling expenses. The purpose of this study was to ascertain how manufacturing organizations were impacted by cost limitations. Data was gathered using wide study design techniques and a poll that combined qualitative and quantitative methodologies. The findings shown that the manufacturing company's profitability within the Group of Companies G.B.K. Limited is significantly impacted by budget control. The study found that G. B. K Group of

Corporations Limited's manufacturing division's efficiency is positively and significantly impacted by fiscal control. Additionally, even though the budget control was seen to be operating, it did so only partially, and it must be strengthened in order to increase profitability. Based to the report, manufacturing companies should have a highly thorough budget control strategy that incorporates all departments and components in order to implement budgetary controls correctly.

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

The research effort looked at how Zimbabwe's producing sector's financial performance was affected by expense control. The study used a descriptive technique. A specific manufacturing company's financial records were utilized to gather data from panels for the research between 2014 and 2018. The data for the study was examined using pooled regression analysis. The analysis found that inventory expenses had a somewhat favourable influence on return on equity. While labour costs will improve performance, they may also have the opposite impact if they account for a larger portion of the company's total profit. The research advised companies to ensure that gains or cash devoted to the labour component are well-accountable in order to boost the yield on equity for its largest investors. Again, companies should invest more in their sales section, but they should be cautious since they know that any money or profits made in this area will be recouped via turnover.

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

To expand on the limited but conflicting findings of earlier research, the study hypothesized and using statistics to assess a different, fundamentally different examples of expected positive impacts of ABC on business achievement. The moderating effects of business type and size are also examined. Structural equation modelling (SEM), validated indicators, and data from surveys of 191 Thai businesses were utilized in this comparative research to assess the models' ability to make the data more understandable. A. The results shown that when ABC is used extensively in cost assessment, expenditure planning, and cost evaluation, there is an indirect improvement in financial performance in addition to a direct increase in operational performance. The results apply to both manufacturing and non-manufacturing enterprises, as well as large and small organizations.

2.3.6 Siyanbola and Raji (2013) discuss how cost control affects the profitability of production sectors. A West African Portland Cement Company (WAPCO) case study.

Numerous studies have examined cost-control strategies and how they affect profitability. Siyanbola and Raji (2013) looked into how manufacturing companies' profitability was impacted by cost control. The study's findings demonstrated that cost conservation significantly and favourably affects Nigerian manufacturing companies' profitability. In their 40 research, data from the West African Portland Cement Company (WAPCO) in West Africa was analysed using Pearson correlation. They considered the budget to be the essential tool for achieving effective cost control. Questionnaires were among the research instruments.

The findings of Akeem (2017) agree with those of Oyerogba et al. (2014) who posited that cost control improves profitability. Bamwesigye (2019) however, attaches more weight to cost allocation as a driver of organisational performance. These differences imply that profitability might be affected by several aspects of cost management rather than cost reduction alone.

2.4 Gap Analysis

Based on reviews of related research, the gaps that follow will be recognized: several researches that were conducted in various organizations and nations that fall inside the geographic gap that this study aims to close; likewise, the theories used in various nations were not precisely identical to those employed in this investigation; for example, according to Lazaridis and Trifonidis (2014), there is a connection between profitability and money management, and poor cash management hurts profitability. However, the results of another investigation conducted from an alternative viewpoint, determined that according to Eli elly (2014), the cycle of cash conversion has a stronger effect on profitability than the current ratio does. The majority of earlier research was carried out in Thailand, Nigeria, and Uganda, making it difficult to generalise the findings to Zimbabwe’s seed manufacturing sector. Furthermore, many studies were directed at large manufacturing companies and did not specifically look at the interaction between cost control management, cost allocation and budgetary control in seed production companies. This study therefore contributes local evidence from Valley Seeds and fills the contextual gap within the manufacturing industry of Zimbabwe.

2.5 Chapter Summary

This chapter's objective is to compile a number of academic research on cost-control strategies and their impact on profitability into a coherent book. The goal of cost control, how budgetary management affects profitability, and the methods used in the process were all examined by the researcher. The research methodology is explained in the next chapter.

CHAPTER 3
RESEARCH METHODOLOGY

3.0 Introduction

This chapter describes the methodologies and processes utilized to carry out the study. It explains the methods and instruments used for data analysis as well as how the study's data was gathered. The study plan, data collection method, and target population make up the chapter's structure. Additionally covered are data, ethical concerns, and the reliability and validity of research tools for data collection, presentation, and analysis.

3.1 Research approach

The study employed a descriptive research approach to offer a descriptive perspective on the subject of cost control measures and their impact on profitability. In order to create workable solutions that increase profitability, the researcher was able to gather data utilizing the descriptive technique in a way that would make it simpler to understand problems that manufacturing businesses confront. Questionnaires and interviews that offer details on the conditions at the time of the study are frequently used in descriptive research. Furthermore, the researcher could only describe what had occurred or was occurring because they had no control over the circumstances.

3.2 Research Design

A research design, according to Klein (2021), is the entire plan or strategy utilized to conduct a study and achieve its objectives. According to Paul and Ormrod (2013), it may also be defined as a comprehensive strategy used for a study that combines the many elements in a way that makes sense and is easy to comprehend in order to directly address the research issue. Study design, according to Rajasekar et al. (2013), is a methodology that starts with well specified study goals, meticulous data gathering techniques, and thorough demographic and sampling identification. The survey employed Valley Seeds as a case study. A descriptive case study looks at a unit that provides an example of a specific field of study, in accordance with Wellington and Hammand (2013).

3.3 Research Population

A collection of individuals or objects from whom samples are drawn is called a population. Study. Shandu (2012). According to Obilor (2023), a population is the entire group or assembly of people, things, or events that share unique characteristics and are crucial to an investigator.

According to Vonk (2016), a targeted demography is the set of people thought to be relevant to the research. Alvi (2016) claims that the term "target population" refers to all those who meet the particular study requirements. To aid in the development of a research conclusion, the chosen personnel employ data gathering approaches. All Valley Seeds workers who were actively involved in cost containment initiatives within the finance department made up the target demographic.

Census

A census is a method of gathering information from individuals inside an organization, according to Creswell (2014). Unlike sample surveys, it collects data from a restricted group. The researcher used the census approach to get accurate data because the population was made up of thirty-five (35) employees of Valley Seeds. Using the census approach, the researcher was able to obtain reliable information from the community on cost-control measures and how they impact the profitability of manufacturing enterprises. Since the population was only 35 employees, a census approach was adopted to eliminate sampling error.

3.4 Data Collection Methods

Enhancing educational research, both theoretically and practically, requires an understanding of quantitative research equipment since it helps to ensure that study results are accurate and reliable (Creswell & Plano Clark, 2017; DeVellis, 2017; Streiner et al., 2014). Research tools, according to Sukmawati (2023), are the means by which a researcher gathers data from their target audience. On the other hand, Soares (2012) defines research instruments as a way to collect data that will be combined with other information for analysis. However, according to Mligo (2016), research instruments ought to take into account the methods the researcher uses to get information from the outdoors or another study area. The researcher collected data on the study problem through self-administered questionnaires and interviews. Participants at Valley Seeds Pvt's departments were given questionnaires. To evaluate the surveys, appointments were set up with the departmental participants. and then the responders were contacted to inquire about any difficulties they may have had answering them. Face-to-face, organized interviews were place. During the interviews, the outcomes were recorded.

3.4.1 Questionnaire

According to Wilkinson and Birmingham (2003), a questionnaire is a collection of questions, particularly one that is distributed to a statistically significant number of respondents in order

to collect data for a survey. According to Hague et al. (2013), a researcher creates a questionnaire to collect information in order to draw conclusions. Participants were asked questions and given the option to select their answers. The availability of options serves as a roadmap for how to respond to a particular problem. Questionnaires were not the greatest tool, though, as the respondents were unwilling to complete them, which led to a poor response rate. This resulted from the use of questionnaires that promoted anonymity. Furthermore, individuals' responses to the questions were prejudiced. By outlining the purpose of the study and its advantages for both the researcher and the respondents, the investigator attempted to lessen the constraint. Along with the questionnaire was an introductory letter describing the study's topic, ensuring confidentiality, and identifying the researcher.

3.4.2 Interviews

According to Sindhu (2012) In a personal interview, the interviewer has a two-way discussion with the interviewee or interviewees in order to get the information they want. In order to fully understand how effectively cost-reduction measures work with Valley Seeds Pvts cost-benefit analysis, in-person interviews were conducted as part of the survey. Interviews can be done in a group or individual setting. As an addition to surveys and to address questions of ambiguity or misinterpretation, the researcher performed in-person interviews (Boddy, 2016). The timely clearing up of misconceptions about the research subjects was an example of the benefits of conducting interviews. The validity of the results was increased by the researcher, who addressed any ambiguities, repeated and rephrased the questions to ensure they were understood correctly, and adjusted the questions as necessary throughout the interviews. Interviews with four (4) Valley Seeds employees were planned.

3.5 Likert scale

The Likert scale was chosen by the researcher to create and build the questionnaires since it made it easy to understand the data that was gatheredIn order to determine respondents' preferences or degree of agreement with a statement or set of claims, surveys frequently employ the Likert scale, a psychometric response scale (Joshi et al., 2015). Likert scales only assess one feature; they are not a comparison scaling technique. An ordinal scale is used to ask participants to rate how much they agree with a specific statement (Joshi et al, 2015). The Likert scale, which consists of five evaluations and ranks since respondents must express an opinion on each topic, makes it evident how much they agree or disagree. The ranks and Likert scale are shown below.

Table :3.1 Likert scale

Level of Agreement & Disagreement	Rankings
Strongly Agree	5
Agree	4
Uncertain	3
Disagree	2
Strongly Disagree	1

3.6 DATA SOURCES

According to Saunders (2007), the research study uses two different kinds of data, primary as well as secondary data sources.

3.6.1 Primary Data

Information gathered directly from the field by the researcher for the study is referred to as primary data (Arens et al., 2012). Since the researchers' direct involvement is likely to ensure its reliability and quality, this type of data is most appropriate for this research subject. Primary data is gathered using research tools such as surveys, interviews, and observations. One benefit of adopting primary sources is that they are the most trustworthy since they haven't been independently validated (Cooper & Schindler, 2013). Before making the final visit for data collection, the researcher sent out questionnaires ahead of time and conducted a few follow-ups to reduce the amount of time needed to gather primary data (Arens et al., 2014).

3.6.2 Secondary Data

Collins and Hussey (2014) state that information that has already been gathered is considered secondary data. utilizing already-existing resources, such as publications, databases, and internal papers. It can be found online or in paper copy. Secondary source information is information obtained by others with objectives that may not coincide with the current aim. Sources of primary and secondary data were used. While secondary data was gathered from journals, textbooks, and business records, primary data was gathered via questionnaires and interviews. As a result, it is evident that the researcher used primary sources to collect data for this investigation. To collect data, the researcher sent questionnaires directly to a specific subset of Valley Seeds Pvt respondents.

3.7 Validity and Reliability

3.7.1 Validity

Cohen et al. (2017) state that validity is the degree to which a study or measuring tool properly assesses or captures what it is intended to measure. Researchers have used data validity and reliability as quantification techniques (Heffner, 2014). Validity, in the words of Thanasegaran (2012) ascertains if the study actually measures what it was designed to assess or whether the results are accurate. If a research instrument properly evaluates what it is intended to explore and is unaffected by irrelevant circumstances, it is considered valid. Inadequacies should not be disregarded since they negatively impact the study's overall findings (Thanasegaran, 2012). To ensure the validity of the study instruments, the researcher used research goals and inquiries while creating the interview guides and questionnaires. Validity was assured by looking at the research tools used to make sure the questions sought to collect information relevant to the subject being studied.

Reliability

Mackinney (2012) defines data dependability as the extent to which an assessment instrument yields steady and consistent outcomes. According to Thanasegaran (2012), a measure of data dependability is the amount of error-free data required to produce accurate conclusions. Thus, validity requires reliability (Venkatesh, Brown, and Bala 2013). The descriptive study approach was used to guarantee the data's dependability and give the researcher pertinent details about real-world incidents pertaining to how cost management affects organizational performance. The researcher's target audience was the finance department, and primary data was also used to ensure dependability.

3.8 Data Analysis and Presentation Techniques

Data analysis is the process of collecting, modelling, and transforming data to give customers relevant information (Ader & Mellenbergh, 2008). Kumar (2013) defines data presentation as the act of turning collected data into useful information and displaying it with easily understood images. IBM SPSS statistics 32 and Microsoft Excel were used to analyse the study's data. In order to display the variable and its frequency of occurrence, descriptive analysis was carried out, which included tests for normality, data reliability, and response frequency distributions. A linear regression model was used to assess the association between the various variables,

which made it possible to determine how cost control affected Valley Seeds' financial performance. Every dataset will be processed and analysed separately; SPSS will be used to analyse the numerical data, while thematic analysis will be used to analyse the qualitative data. The findings will be integrated using a side-by-side comparison method during the interpretation phase. The quantitative data will be analysed and compared with the qualitative themes in order to identify convergences, complementarities, or divergences.

Ethical Consideration

Cooper and Schinder (2003) define ethics as norms or guidelines for conduct that guide moral assessments of a specific action and interpersonal interaction. When negotiating access to respondents and organizations during data collection, research ethics are crucial (Saunders et al., 2007). Ethics guarantees that the study activity won't cause any harm or unfavourable outcomes. The researcher's behaviours during the study that are regarded as morally appropriate are known as ethical considerations. The researcher respected the respondents' jobs, worked with them to create flexible schedules, and conducted study after the respondents' work commitments in order to assure ethical consideration. Furthermore, data collected for the study was handled with the utmost integrity and kept private, only being used for the study's objectives. Citations and references were used appropriately to recognize the researcher's use of secondary sources. In conclusion, a crucial step was taken to guarantee impartiality by avoiding the researcher's beliefs from affecting the information gathered and conclusions reached.

3.9 Chapter Summary

The procedures needed to collect data and the components of the research methodology employed in this study were the main topics of this chapter. The researcher talked about the demographic and related sample, the validity and reliability of the data, and how the data will be presented in the next chapter before wrapping off the chapter on the ethical difficulties of the study. The following chapter will focus on data analysis and presentation.

CHAPTER 4

DATA PRESENTATION AND ANALYSIS

4.0 Introduction

In order to provide a definitive conclusion on the study objectives, the chapter focuses on the presentations that include analyses, interpretations, and assessments of the data that the researcher collected. Valley Seeds provided the study's data through surveys and interviews. Examining the effects of cost management and their connection to profitability was the main goal of this study. Presenting conclusions based on the survey results is the goal of this chapter. This chapter employs the many techniques described in Chapter 3.

4.1 Questionnaire response rate and Interview response rate

The subject of the study was Valley Seeds Pvt Ltd. To reduce bias in the data, 35 workers of Valley Seeds Finance were given questionnaires. Of those, 30 were returned, representing an acceptable 85.7% (Analysis Australia, 2013). The answer rate from the four interviewees that is Finance, Production, Audit, and Administration was 100%.

Table :4.1 Responses to questionnaires

Categories of Responses	Questionnaires Distributed	Questionnaires Returned	Population %
Finance Personnel	35	30	85.7%

Source: Primary data 2026

Thirty (30) of the thirty-five (35) questions, as shown in table 4.1 above were delivered to the population were filled out and returned. Because the surveys were simple and contained information on privacy, the respondents were eager to participate and provided honest and trustworthy responses.

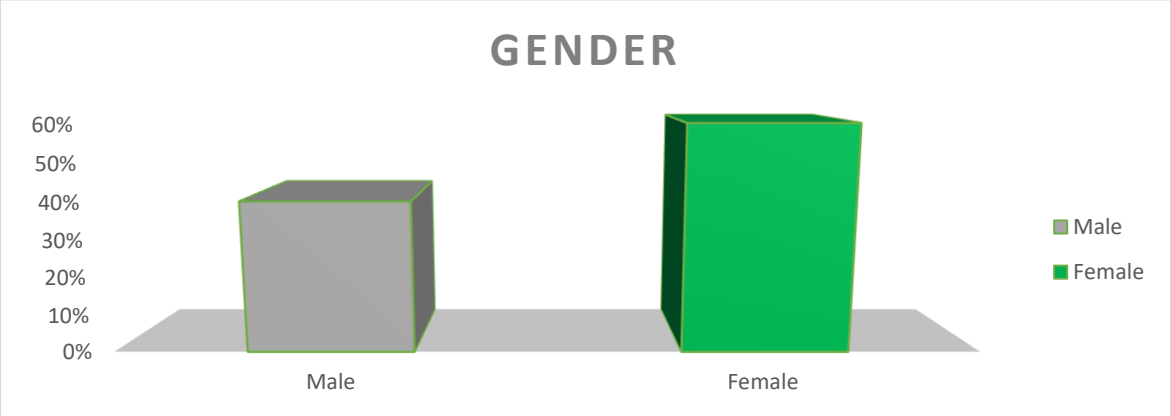
4.2 Demographic information

In order to validate and support the information participants offer on the study's objectives, a researcher needs analyse the demographic data that respondents submit. The individuals' age, gender, degree of education, and work experience were among the demographic details the researcher was interested in.

Demographic Responses:

4.2.1 Gender

Fig 4.1: Gender of Respondents



Source: Primary Source

Table:4.2 Gender of Respondents

Gender	Population (Employees)	Percentage %
Females	18	60 %
Males	12	40 %

The results in fig 4.1 and Table 4.2 clearly showed that female constituted a greater proportion of Valley Seeds Pvt Ltd responses, with 18 (60%) of respondents being female and 12 (40%) being male. Even though females made up the majority of respondents, it's important to keep in mind that Valley Seeds provides equal job chances. Therefore, stereotypes or discrimination against each gender in the workplace have no bearing on the study's conclusions about gender imbalance. Strong female presence within Valley Seeds is suggested by the larger percentage of female responders. However, gender composition was not predicted to alter judgments of cost control techniques.

4.2.2 Work experience

Fig 4.2: Work experience of respondents



Source: Primary Data

Table:4.3 Work experience of respondents

Work Experience	Population (Employees)	Percentage %
< 1 Year	5	16.67%
1-5 years	15	50 %
6-9 years	6	20 %
>10 Years	4	13.3%

Source: Primary Data

Five respondents (16.67) have less than a year (<1) of experience, fifteen respondents (50%) have one to five years (1-5) of experience, six respondents (20%) have six to nine years (6-9) of experience, and four respondents (13.3%) have more than ten years (>10) of experience, as shown in fig. 4.2 and table 4.3. This proved that the research reflected the views of individuals with varying degrees of expertise working at Valley Seeds Pvt Ltd, since it collected data from several years of experience. This indicates that the great majority of responders are between the ages of one and five, making them in a good position to supply reliable and accurate data.

4.2.3 Education of respondents

Fig 4.3: Education Level of Respondents

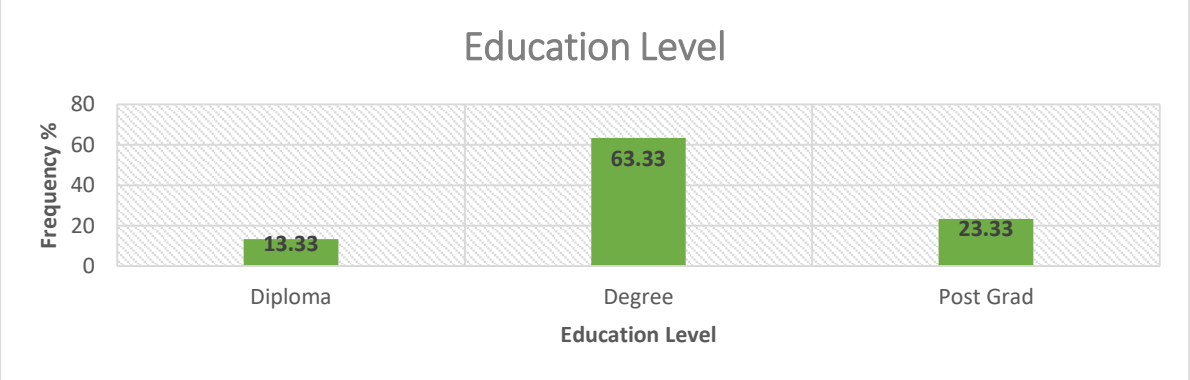


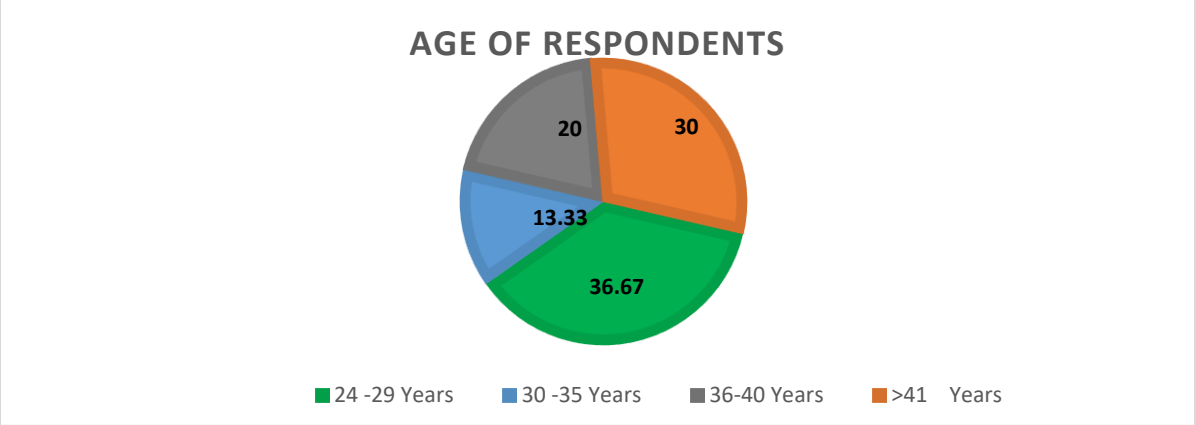
Table 4.4: Education Level of Respondents

Level of Education	Population (Employees)	Percentage %
Diploma	4	13.33%
Degree	19	63.33%
Post Grad	7	23.33 %
Total	**30**	**100 %**

A significant percentage of respondents (63.33% of the sample) hold a bachelor's degree, as shown by the data in fig. 4.3 and table 4.4. Diploma and postgraduate degree holders have 13.33 and 23.33, respectively. This implies that the bulk of Valley Seeds' employees are highly qualified individuals. This suggests that the workforce is largely educated. This was corroborated by Bwititi (2021), who said that because relevant education is closely tied to their subject of study, workers who have earned it typically perform better at work. A sizable percentage of survey participants had to hold a bachelor's degree or above. This came about because it was thought that individuals with higher levels of education would find it easier to relate to and understand different parts of the expenditure control process.

4.2.4 Age of Respondents

Fig 4.4: Age of Respondents



Source: Primary Source

Table 4.5: Age of Respondents

Age of Respondents	Population (Employees)	Percentage %
24-29 Years	11	36.67%
30-35 Years	4	13.33%
36-40	6	20 %
>41	**9**	30%
Total	**30**	

According to the findings, the study's main target group consisted of 30 respondents. Of the workers in the sample, nine (30%) are older than 41. 36.67% of the replies were from respondents aged 24 to 29, while 20% and 13.33% of the responses were from respondents aged 36 to 40 and 30 to 35, respectively. According to the findings, most participants were between the ages of 24 and 29. Since they recently graduated from school, these participants have the newest skills and are very anxious to demonstrate their knowledge and comprehension, which allowed them to provide accurate answers for this study.

4.3 Reliability Statistics

Table4.6: Reliability Statistics (Cronbach's Alpha)

variables	Number of items	Cronbach's alpha
Cost control management	4	0.801
Cost allocation	4	0.826
Budgetary control	4	0.789
Overall reliability	12	0.812

***Source**: IBM SPSS Statistic v20(2026)*

The reliability of the study's questionnaire was assessed using a Cronbach's Alpha test. Maintaining agreement between the measuring instrument and the variable it was intended to measure is typically beneficial when conducting a validity test. For the 12 items in the questionnaire, the Cronbach's Alpha coefficient was calculated to be 0.812, indicating good reliability. According to Izah et al.'s research from 2023, a Cronbach's Alpha score of more than 0.7 is deemed good, while values of 0.8 or higher indicate excellent dependability. This indicates that the replies gathered from the scales mirrored the methods used in manufacturing businesses to control expenses and manage them, as well as how these methods affected the profitability of the company. A Valley Seeds Case Study

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4.4 Normality test

Table 4.7 Tests of Normality

Variable	Kolmogorov-Smirnov sig.	Shapiro-wilk sig.
Cost control management	0.200	0.412
Cost allocation	0.185	0.366
Budgetary control	0.200	0.298
profitability	0.174	0.255

Source: IBM SPSS Statistics v20 (2026)

To verify that the dataset was suitable for advanced statistical analysis, the core variables were run through both Kolmogorov-Smirnov and Shapiro-Wilk normality tests. In quantitative research, a dataset is considered normally distributed if its significance value (p-value) sits comfortably above the 0.05 threshold (Guzik & Wieckowski, 2023). Looking at the results in Table 4.4, every single primary variable cleared this 0.05 benchmark by a wide margin. For instance, the Kolmogorov-Smirnov test produced p-values of 0.200 for cost control management, 0.185 for cost allocation, 0.200 for budgetary control, and 0.174 for profitability. The Shapiro-Wilk test backed up these findings with even stronger significance levels, coming in at 0.412, 0.366, 0.298, and 0.255 respectively. Because none of these values dropped below the critical cutoff, the distribution across all four categories is clean, normal, and completely free of anomalies.

Methodologists generally agree that the Shapiro-Wilk test provides a more accurate reflection of normality when working with smaller sample sizes under 50 participants (Demir, 2022). Given that both tests align perfectly here, the data strongly supports the transition to parametric testing for the next phase of the study. This aligns with insights from Monter-Pozos and González-Estrada (2024), who noted that parametric techniques yield highly reliable results as long as these fundamental normality benchmarks are met.

4.5 Data presentation and analysis

Table 4.8: Data analysis

Mean Range	Interpretation
1.00 – 1.80	Strongly Disagree
1.81 – 2.60	Disagree
2.61 – 3.40	Neutral
3.41 – 4.20	Agree
4.21 – 5.00	Strongly Agree

The examination of Likert-scale responses on each of the main research items included descriptive statistics. These included mean, standard deviation, and skewness, each of which

served to convey to the readers the distribution, variability, and central tendency of the replies. While skewness provides a glimpse of the answer distribution, a high mean indicates significant agreement with the proposition.

4.5.1 Impact of cost control management on Valley Seeds profitability

Table 4.8.1: Descriptive statistics for cost control management

Statement	N	Mean	Std deviation	skewness
At Valley Seeds, cutting expenses directly correlates with higher profitability	30	4.37	0.79	-1.214
Cost control plays an important role since it controls unnecessary costs	30	4.40	0.73	-1.356
Evey employee should participate in a departmental cost-cutting measure.	30	3.42	1.12	0.214
Effective cost control enhances productivity at Valley Seeds	30	4.40	0.73	-1.356

Source: SPSS Output (2026)

This part looked at respondents' opinions on how cost control affects Valley Seeds' organizational effectiveness. In order to reduce wasteful spending, increase profitability, and boost overall productivity, cost control is a crucial management technique. A number of statements evaluating how cost control affects organizational performance inside the corporation were given to respondents to score.

With mean scores ranging from 3.42 to 4.40, the study reveals a typically high degree of agreement across the majority of the four questions. Strong agreement among respondents regarding the significance of cost control in enhancing organizational outcomes was demonstrated by the highest mean score (M = 4.40) for the statements that cost control plays an important role since it controls unnecessary costs and that effective cost control enhances productivity at Valley Seeds. Similarly, the statement that cutting expenses directly correlates with higher profitability also recorded a high mean score (M = 4.37), showing that respondents strongly believe that reducing costs contributes positively to profitability. However, the statement that every employee should participate in departmental cost-cutting measures

recorded the lowest mean score (M = 3.42), suggesting moderate agreement and indicating that some respondents may have reservations about employee involvement in cost-cutting initiatives.

The relatively low standard deviation values for most items indicate that respondents had consistent views regarding the importance of cost control. However, the slightly higher standard deviation (SD = 1.12) for employee participation suggests greater variation in respondents' opinions on this issue. Additionally, the negative skewness values for most items indicate that responses were concentrated towards agreement, reflecting a generally positive perception of cost control practices at Valley Seeds. The only positive skewness value (0.214) was observed for employee participation in cost-cutting, suggesting a more balanced distribution of responses on this statement. These findings suggest that cost control plays a significant role in improving profitability and productivity at Valley Seeds by reducing unnecessary expenditures and promoting efficient resource utilization. Therefore, strengthening cost control strategies may help the company achieve better financial performance and long-term sustainability.

According to the report, Valley Seeds' profitability is significantly improved by cost control management. The findings imply that efficient monitoring and management of operating costs enhances financial performance by cutting down on wasteful spending and making optimal use of available resources.

4.5.2 Effect of cost allocation on profitability

Table 4.8.2: Descriptive statistics for cost allocation

Statement	N	Mean	Std deviation	skewness
Cost allocation has improved profitability at Valley Seeds	30	4.33	0.76	-1.108
Valley Seeds has implemented modern cost allocation systems	30	4.33	0.71	-1.092
Cost allocation helps the company in pricing decisions	30	4.67	0.55	-1.744
Cost allocation strategies contribute to organizational growth	30	4.33	0.71	-1.092

The research reveals that all four questions have excellent levels of agreement, with mean scores ranging from 4.33 to 4.67. The statement that cost allocation aids the business in pricing choices received the highest mean score (M = 4.67), suggesting that respondents strongly agreed that efficient cost allocation promotes improved pricing strategies. The statements that cost allocation has improved profitability at Valley Seeds, Valley Seeds has implemented modern cost allocation systems, and cost allocation strategies contribute to organizational growth all recorded high mean scores of 4.33, reflecting strong positive perceptions of the role of cost allocation in organizational success.

The very low standard deviation values, which range from 0.55 to 0.76, indicate that respondents' opinions on the beneficial effects of cost allocation on the business's performance were consistent. Additionally, the negative skewness values for every item show that responses were skewed toward agreement, indicating a generally favorable opinion of Valley Seeds' cost allocation procedures. The highest negative skewness (-1.744) for the statement on pricing decisions further confirms that most respondents strongly agreed with this statement. These findings suggest that cost allocation plays a significant role in enhancing profitability, supporting effective pricing decisions, and promoting organizational growth at Valley Seeds. Therefore, continued investment in modern cost allocation systems and strategies may further strengthen the company’s financial performance and long-term sustainability.

According to the study, cost allocation has a big impact on profitability. Management can ascertain the true cost of manufacturing, make better pricing decisions, and improve overall organizational performance with proper cost allocation. The results corroborate the Activity-

Based Costing Theory, which contends that precise cost allocation enhances organizational performance and decision-making.

4.5.3 Effect of budget control on profitability

Table 4.8.3: Descriptive analysis on budget control

Statement	N	Mean	Std deviation	skewness
Budgeting has increased the precision of revenue forecasts	30	4.17	0.87	-0.964
Valley Seeds prepares semi-annual and annual budgets	30	4.17	0.87	-0.964
Budget variances are regularly analysed and corrective measures taken	30	4.13	0.91	-0.842
Budgetary control enables management to compare actual and projected revenue	30	3.97	1.04	-0.618

The research reveals that all four questions have excellent levels of agreement, with mean scores ranging from 3.97 to 4.17. The statements that budgeting has improved the accuracy of revenue forecasts and that Valley Seeds prepares semi-annual and annual budgets received the highest mean score (M = 4.17), indicating strong agreement among respondents regarding the significance of budgeting in enhancing financial planning and forecasting. The statement that budget variances are regularly analysed and corrective measures are taken also recorded a high mean score (M = 4.13), reflecting positive perceptions regarding the company's commitment to budget monitoring and control. The statement that budgetary control enables management to compare actual and projected revenue recorded the lowest mean score (M = 3.97), although it still indicates general agreement among respondents.

The relatively low standard deviation values, ranging from 0.87 to 1.04, suggest that respondents had fairly consistent views regarding the effectiveness of budgeting and budgetary control at Valley Seeds. However, the slightly higher standard deviation (SD = 1.04) for the comparison of actual and projected revenue indicates slightly greater variation in respondents' opinions on this aspect. Furthermore, the negative skewness values for every item show that responses were skewed toward agreement, indicating a generally favorable opinion of the company's budgeting procedures.

These findings suggest that budgeting and budgetary control play a significant role in improving financial planning, enhancing revenue forecasting accuracy, and strengthening financial monitoring at Valley Seeds. Therefore, maintaining strong budgeting systems and regularly reviewing budget performance can help the company improve decision-making and achieve long-term financial sustainability.

The results showed that profitability is positively impacted by budgetary control. Planning, coordinating, and monitoring financial resources are made easier by effective budgeting, which improves financial results.

4.6 The Relationship between costs control techniques and profitability

4.6.1 Regression analysis

Table 4.9: Relationship between cost management practices and profitability

Model	R	R Square	Adjusted R Square	Std. Error of Estimate
1	0.782	0. 611	0.566	0.291

Source: SPSS Output (2026)

According to the model summary, there is a significant positive association between Valley Seeds' profitability and cost management strategies (R = 0.782). The positive coefficient implies that higher profitability is linked to better cost management procedures. This result is in line with the findings of Oyerogba et al. (2014) and Akeem (2017), who said that efficient cost control improves organizational performance.

The coefficient of determination (R Square = 0.611) shows that budget control, cost allocation, and cost management techniques account for 61.1% of the variation in profitability. Other factors not covered in the research could have an impact on the remaining 38.9%.

Cost management techniques are a reliable indicator of profitability, as seen by the adjusted r square value of 0.566.

Hypotheses

H0: Profitability and cost management strategies do not significantly correlate.
H_1: Profitability and cost management strategies are significantly correlated.
A linear regression analysis was used to test the hypothesis and investigate the connection

between profitability and cost control strategies. Profitability was the dependent variable, while cost management techniques were the independent variable.

Table 4.10: ANOVA: Cost management practices and profitability

Model	**Sum of Squares**	**Df**	**Mean Square**	**F**	**Sig.**
Regression	8.124	3	2.708	31.488	0.000
Residual	2.236	26	0.086		
Total	10.360	29			

Source: SPSS Output (2026)

Since the F-value is 31.488 with a significance level of 0.000, which is below the generally recognized limit of 0.05, the regression model is considered statistically significant. This suggests that the model fits the data well and that Valley Seeds' profitability is significantly impacted by the independent factors taken combined. While the residual sum of squares (SS = 2.236) shows the variation in organizational profitability that cannot be explained by other factors not included in the model, the regression sum of squares (SS = 8.124) shows the variation explained by the independent variables in the model. The full variation in organizational profitability is represented by the total sum of squares (SS = 10.360).

Further evidence that the model accounts for a significant amount of the variance in organizational performance comes from the fact that the mean square for regression (2.708) is significantly greater than the mean square for residuals (0.086). These results imply that the independent components of the research are a major predictor of Valley Seeds' profitability. Therefore, the null hypothesis—which asserts that cost management techniques and organizational performance do not significantly correlate—is rejected. This suggests that Valley Seeds' organizational success is significantly impacted by cost control strategies.

4.7 Pearsons's correlation

Table 4.11: Pearsons's correlation

variables	1	2	3	4
1.Cost control management	1			
2.Cost allocation	.642**	1		
3.Budgetary control	.598**	.625**	1	
4. Profitability	.734**	.768**	.701**	1
Sig (2. tailored)				
Cost control management& profitability	.000			
Costs allocation and profitability	.000			
Budgetary control & profitability	.000			
N	**30**	**30**	**30**	**30**

To investigate the connection between cost control procedures and profitability at Valley Seeds Pvt Ltd, a Pearson Product Moment Correlation study was carried out. All of the research variables had positive and statistically significant correlations with profitability (p = 0.000), according to the data, suggesting that better cost management techniques are linked to higher profitability. The results showed a significant positive correlation between profitability and cost control management (r = 0.734, p = 0.000). This suggests that effective control of organizational costs helps reduce unnecessary expenses and improve financial performance, resulting in higher profitability. The relationship between cost allocation and profitability was the strongest among all variables (r = 0.768, p = 0.000). This indicates that proper allocation of costs to different activities and departments enhances decision-making and resource utilization, which contributes significantly to improved profitability.

Similarly, budgetary control was positively and significantly related to profitability (r = 0.701, p = 0.000). This implies that effective budgeting and monitoring of expenditures support financial discipline and improve organizational profits. The analysis also showed positive relationships among the independent variables. Cost control management was positively related to cost allocation (r = 0.642) and budgetary control (r = 0.598), while cost allocation was positively related to budgetary control (r = 0.625). These results suggest that the cost

management practices complement each other in improving organizational performance. Overall, the findings indicate that cost management practices are important determinants of profitability at Valley Seeds Pvt Ltd. Cost allocation had the strongest relationship with profitability, followed by cost control management and budgetary control. Therefore, the study supports the hypothesis that effective cost management practices significantly influence organizational profitability. The results corroborate those of Siyanbola and Raji (2013), who came to the conclusion that manufacturing companies' profitability is positively impacted by efficient cost control. The outcomes align with the findings of Vetchagool et al. (2023), who discovered that better cost allocation improves organizational performance.

4.8 Qualitative Presentation and Analysis

In order to gain a better understanding of cost management strategies, qualitative data was also collected through interviews with Valley Seeds workers who are directly involved in finance. The three guiding interview questions were used to identify trends in the thematic analysis of the data. Four individuals in total—one financial manager, one accountant, one internal auditor, and one accounting officer—were selected for interviews. 100% of the sample replied, and all four interviews were conducted effectively. The full participation of the participants ensured that the opinions of all stakeholders were reflected and improved the validity and reliability of the qualitative analysis.

4.9 Interviews

In order to gather data, the researcher set up four (4) interviews, all of which went well. Interviews with the firm's accountants and management were planned. There was a 100% response rate.

INTERVIEW RESPONSES

4.9.1 How does budgeting impact the profitability of Valley Seeds

According to the interviews, many individuals believe that the budgeting approach helps revenue function better at Valley Seeds. According to participants, budgeting aids management in organizing revenue-generating activities, allocating resources efficiently, and keeping an eye on spending trends. According to the respondents, annual budgets provide financial guidance and guarantee that the agency stays within its expenditure restrictions. The respondents agreed with Okeke et al. (2024) that improved revenue performance is one advantage of budgeting. The practice of comparing actual revenues with predicted revenues and taking remedial action

if there is a discrepancy is known as budgetary control, according to the accountant, another participant. A finance manager who participated in the survey said, "Budgeting enables Valley Seeds to make plans in advance and to keep a check on the departments to ensure that they align with the set budgets."

The quantitative results, which are shown in Table 4.5, strongly support the qualitative conclusions that budgeting methods improve revenue performance. The quantitative findings showed that annual budgets, variance analysis, and budgetary controls all had high mean scores, ranging from 3.97 to 4.17. This indicated that there was broad consensus that these factors all had a favourable impact on financial planning and income production in a year budget.

4.9.2 To what extent is Valley Seeds profitability affected by costs allocation.

To a greater extent Valley Seeds profitability is affected by costs allocation. Costs allocation enables Valleys seeds to account for indirect costs when pricing its products and also allocating costs according to each department thus having an overview on which departments is experiencing more costs than the other. Valley seeds use costs allocation when pricing its products, some companies only consider directs costs when pricing its products but Valley Seeds to a greater extent caters for all costs such as electricity which is used to irrigate maize seeds and also the labour costs until the product is ready for use. Improved costs allocation can help Valley seeds to focus on departments which are performing well and setting aside more resources to those departments. Moreover, it enables the firm to continue or discontinue operations for departments which are not profitable.

4.9.3 What do you consider to be the goal of cost control?

According to 3 responders, cost control is primarily concerned with determining the unit cost and measuring it, as well as regulating and cutting unnecessary spending to keep costs within reasonable bounds. The respondents went on to say that effective cost control is necessary for any firm to report sufficient earnings. Furthermore, the answers clarified that cost control gives management the ability to establish selling prices; therefore, if costs are decreased, the company may either set lower selling prices or retain the selling prices while increasing the margin.

Another respondent further explained that in the seed industry, our revenue is highly seasonal and deeply tied to volatile commodity markets and unpredictable weather. Effective cost control acts as our financial stabilizer. The goal is to eliminate operational waste—such as

reducing energy inefficiencies in seed-drying plants, streamlining logistics, and managing inventory carrying costs so high-value seed stocks don't degrade.

By aggressively controlling these operational wastes, we protect our profit margins during down cycles. More importantly, it allows us to intentionally redirect those saved resources into high-return investments, like R&D and advanced crop genetics. Ultimately, cost control ensures the company remains agile, financially resilient, and capable of delivering high-quality, high-yielding products to farmers year after year.

4.10 Chapter Summary

The research findings, including summary data, interpretation, and analysis in line with the study's objective, were thoroughly reviewed in this chapter. Interviews and questionnaires were done, and the results were reviewed. The results were also presented throughout the chapter using tables and graphs. The following chapter will mostly focus on summarizing the data, making conclusions, and providing suggestions in light of the study's findings.

CHAPTER 5

Summary of findings, Conclusions and Recommendations

5.0 Introduction

This chapter helped the researcher make decisions on the goals of the study. The observations and analysis in Chapter 4 decide the outcomes. These results will bolster the conclusions and suggestions made to Valley Seeds.

5.1 Summary of the Research

Chapter 1 provided the goals, problem description, and background of the investigation. It emphasized the study's importance, research subjects, and underlying presumptions. Included are the study's limitations and boundaries, explanations of words used, and a summary of the chapter. The opinions and ideas of a number of academics were included in Chapter 2. Using the research goals, the investigator examined the literature.

Chapter 3 included a description of the study approach and techniques. The format of the chapter included the target population and the study design. It also included data gathering techniques, ethical issues, and the validity and dependability of research instruments. Both qualitative and quantitative techniques were used to collect the data. The target group from whom primary data was gathered consisted of 35 Valley Seeds workers from various departments.The primary subjects of chapter four were data presentation, interpretation, and analysis. The gathered data was displayed using pie charts, tables, bar graphs, and assumptions. After the data was analysed, conclusions were drawn using the approach.

A summary, findings, suggestions, and ideas for more research were provided in Chapter 5.

5.2 Major Research findings

The following are the major findings of the research**:**

5.2.1 The objective of cost control techniques and their effects on profitability

The study's conclusion was that reducing costs instantly boosts an organization's revenue. Since it is clear that changing expenditures may increase profit, cost management techniques have a greater positive impact on business profitability. Cost management also makes it more likely that a company would offer its products for less than its competitors. Because it is commonly recognized that the manufacturing sector's success is hindered by very high production and operating expenses, industry leaders are learning ways to reduce costs. The investigation came to the conclusion that cutting and controlling unnecessary spending is the goal of cost control. The profitability of businesses is positively impacted by cost management tactics since it is clear that cutting expenses may boost profit.

5.2.2 To look into how Valley Seeds profitability is affected by costs allocation

The empirical results demonstrate an overwhelmingly positive consensus regarding the strategic role of cost allocation at Valley Seeds. The highest mean score (M = 4.67) alongside a strong negative skewness (-1.744) firmly establishes that respondents view cost allocation as a critical foundation for pricing decisions. In the agribusiness and seed industry, where product development spans multiple seasons and R&D costs are substantial, accurate cost allocation allows Valley Seeds to set competitive yet profitable prices for its seed varieties.

Furthermore, the uniform mean scores of (4.33) for profitability improvements, organizational growth, and the implementation of modern systems indicate that cost allocation is not viewed merely as a passive accounting chore. Instead, it is recognized as an active driver of corporate performance. The low standard deviations (0.55) to (0.76) provide crucial statistical reliability, proving that across different departments, employees consistently recognize that understanding true operational costs directly protects margins and enables sustainable scaling.

5.2.3 To look into how Valley Seeds profitability is affected by budget control

The findings indicate that Valley Seeds Pvt's profitability is greatly impacted by budget control. Strengthening budgetary controls is required to boost profitability since they have a substantial influence on the profitability of manufacturing enterprises. The results indicate that budget control is an essential part of financial management and that a business with effective budget control may increase overall profitability, reduce costs, and make the most of its resources.

The study found that Valley Seeds' revenue performance is positively impacted by budgeting. Revenue planning and financial monitoring are supported by yearly budgeting, budgetary management, and deviation analysis, according to the respondents. Budgeting enables management to compare actual revenues with anticipated revenues and take corrective action if revenues differ from the budgeted revenues, as indicated by a high mean score (4.17-3.97). Additionally, the findings of the interviews demonstrated that budgeting aids in financial planning, improved resource allocation for revenue production, and financial direction.

5.3 Conclusions

Examining cost-cutting tactics and their impact on manufacturing enterprises' profitability was the aim of the study. The study was motivated by an increase in expenses that led to a decline in the profitability of the industrial sector. Understanding the purpose of cost control, how costs allocation affects profitability of Valley Seeds and investigating the potential effects of budgetary management on Valley Seeds' profitability were the goals of the study. All of the study's goals were met, and it was determined that cost-control strategies improve company profitability since it is evident that altering expenses may boost profits. It was clear that strategies like cost allocation and budgetary management could be used to strategically regulate labour, material, and overhead expenses as well as employee behaviour in order to increase profit margins.

The purpose of the budget, budgetary control, and variance analysis is to assist management in planning and carrying out financial operations, keeping an eye on income creation, and managing spending. The findings demonstrated that budgeting aids in precise revenue forecasting and enables management to take appropriate remedial action when there is a deviation. Thus, effective budgeting techniques help improve Valley Seeds' financial planning and revenue performance.

5.4 Recommendations

The study's findings showed that lower-level staff members are not involved in projects or choices pertaining to cost-control strategies. Since management cannot control costs on its own and cost control is a continual activity that involves the participation and engagement of all employees at all times, all employees should be included in the formulation of cost control initiatives within departments.

Valley Seeds should migrate from traditional volume-based overhead allocation to an Activity-Based Costing framework. This will allow management to precisely trace indirect expenses such as machine calibration, seed-drying energy consumption, and germination lab testing directly to specific seed varieties or batches, preventing high-volume crops from unfairly subsidizing low-volume specialty hybrids. Businesses must emphasize the significance of cost control. Weekly or quarterly meetings and campaigns should be undertaken, and employees should be made aware of the necessity of cost reduction.

It is advised that Valley Seeds improve its budgeting procedures so that all of the company's departments participate in creating the budget. Management must continuously assess the performance of the budget through regular budget reviews, variance analysis, and prompt remedial action. Additionally, Valley Seeds should be able to estimate income realistically for improved financial planning, which might result in improved revenue performance.

5.5 Areas for further research

Carrying out a study with a sizable population in order to compare the findings with this one. To find out whether other businesses are impacted in the same manner as Valley Seeds Pvt Ltd, more research might be conducted in other industries.

Other researchers can attempt to examine additional cost-control strategies that were not included in this study, such as inventory control and efficiency enhancements, to name a couple. To determine how these elements impact an entity's profitability, additional researchers can examine internal aspects like organizational culture and other variables like technology.

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APPENDICES

Appendix 1: Questionnaire

Dear Respondent

I am PARDINGTON S. KASEKE B222465B, a final-year student at Bindura University of Science Education who is working toward an honorary bachelor's degree in accounting. As a result, I am conducting research on "EVALUATING COST CONTROL MANAGEMENT TECHNIQUES IN MANUFACTURING INDUSTRIES AND THEIR EFFECTS ON FIRM PROFITABILITY. A CASE STUDY OF VALLEY SEEDS." Please be aware that the data you provide will be kept private and used exclusively for scholarly research. Please answer the following questions. We sincerely thank you in advance for your participation and help with this study.

Section A: General information (Tick Appropriate Box)

A1. Gender

- ○ Male
- ○ Female

A2. Age Group

- ○ 24–29 years
- ○ 30–35 years
- ○ 36–40 years
- ○ 41 years and above

A3. Highest Level of Education attained

- ○ Diploma
- ○ Degree
- ○ Postgraduate Degree
- ○ Other (specify): _____

A4. Years of Work Experience at Valley Seeds

- ○ Less than 1 year
- ○ 1–5 years
- ○ 6–9 years

○ 10 years and above

LIKERT SCALE KEY

Score	Meaning	Code
1	Strongly Disagree	**SD**
2	Disagree	**D**
3	Neutral / Uncertain	**N**
4	Agree	**A**
5	Strongly Agree	**SA**

1.COST CONTROL MANAGEMENT

Statement	SD (1)	D (2)	N (3)	A (4)	SA (5)
At Valley Seeds, cutting expenses directly correlates with higher profitability.	○	○	○	○	○
Cost control plays an important role since it controls unnecessary costs.	○	○	○	○	○
Every employee should participate in a departmental cost-cutting measure.	○	○	○	○	○
Effective cost control enhances productivity at Valley Seeds.	○	○	○	○	○

2. COST ALLOCATION

Statement	SD (1)	D (2)	N (3)	A (4)	SA (5)
Cost allocation has improved profitability at Valley Seeds.	○	○	○	○	○
Valley Seeds has implemented modern cost allocation systems.	○	○	○	○	○

Cost allocation helps the company in pricing decisions.	○	○	○	○	○
Cost allocation strategies contribute to organizational growth.	○	○	○	○	○

3.BUDGETARY CONTROL

Statement	SD (1)	D (2)	N (3)	A (4)	SA (5)
Budgeting has increased the precision of revenue forecasts.	○	○	○	○	○
Valley Seeds prepares semi-annual and annual budgets.	○	○	○	○	○
Budget variances are regularly analysed and corrective measures taken.	○	○	○	○	○
Budgetary control enables management to compare actual and projected revenue.	○	○	○	○	○

Appendix 2:

Interview guide Title:

Interview guide for Evaluating cost control management techniques in manufacturing industries and their effects on firm profitability.

1. How does budgeting impact the profitability of Valley Seeds?
2. To what extent is Valley Seeds' profitability affected by costs allocation?
3. What do you consider to be the goal of cost control?