

MBARARA UNIVERSITY OF SCIENCE AND TECHNOLOGY

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1. **TITLE OF THESIS :** FINANCING ADVANTAGE, PRICE DISCRIMINATION, TRANSACTION COSTS AND TRADE CREDIT SUPPLY AMONG MANUFACTURING FIRMS IN UGANDA
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4. **ABSTRACT**

The purpose of this study was to examine the relationship between financing advantage, price discrimination and transaction cost factors on trade credit supply among manufacturing firms in Uganda and an understanding of how they are mediated by repayment behavior. The study objectives were to establish the relationship between financing advantage, price discrimination plus transaction costs and trade credit supply among manufacturing firms in Uganda. The study also examined the mediating effects of repayment behavior between financing advantage, price discrimination, transaction costs and trade credit supply among manufacturing firms in Uganda. The study adopted cross-sectional research design using both quantitative and qualitative approaches. The study involved a population of 118 manufacturing firms of which a sample 91 was selected and formed the unit of analysis. A total of 273 respondents were sampled and 226 returned the questionnaires. After data cleaning, quantitative data was analyzed using Statistical Package for Social Sciences (SPSS) v. 20 and Smart PLS. Bootstrapping method was used for mediation analysis and NVivo software was employed to analyze qualitative data. The analysis of the study was conducted using both regression analysis to establish linear effects and Structural equation model (SEM) to examine simultaneous and moderation effects in the model. Pearson correlation coefficient and regression analysis were run to establish the direction, strength, significance and associative causal relationship between the variables. The study findings revealed that financing advantage

and transaction costs hold a relationship with trade credit supply activities. On the other hand, price discrimination has no association with trade credit supply in these firms in Uganda. Furthermore, it was also found out that repayment behavior plays a mediation role in the financing advantage-trade credit supply and transaction costs trade credit supply anticipated linkages. The study therefore recommends that manufacturing firms should put more emphasis on financing and transaction costs. Similarly, much as price discrimination do not predict changes in firm trade credit supply, firms should not disregard it in their planning process. Likewise, firms should give adequate consideration to client repayment behavior since it plays mediation part in the trade credit supply structure.

5. KEY WORDS

Financing Advantage, Price Discrimination, Transaction Costs, Trade Credit Supply, Repayment Behaviour and Manufacturing Firms