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Addis Ababa University



ADDIS ABABA UNIVERSITY
COLLEGE OF BUSINESS AND ECONOMICS
DEPARTMENT OF ACCOUNTING AND FINANCE

**The Effects of Revenue Management on Taxpayers' Satisfaction:
Evidence from Laga-TafoLaga-Dadhi Town Administration
Category "C" Taxpayers,Oromia National Regional State**

A thesis submitted to Addis Ababa University, Department of Accounting and Finance in partial fulfillment of the requirements for award of the degree of Master of Science in Accounting and Finance.

By: NigatuTaye

Advisor:-AlemHagos (PhD)

June, 2021

Addis Ababa, Ethiopia

THE EFFECTS OF REVENUE MANAGEMENT ON TAX PAYERS'
SATISFACTION: EVIDENCE FROM LAGA TAFO LAGA DADHI TOWN
ADMINISTRATION CATEGORY "C" TAXPAYERS

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requirements for the degree of Master of Science (MSC) in Accounting and
Finance (ACFN).

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APPROVAL SHEET

This is to certify that the thesis entitled: *“effect of revenue management on taxpayers’ satisfaction of category “C” taxpayers: A case study of Laga-tafoLaga-dadi Town Revenue Authority”* submitted to Addis Ababa University, College of post graduates for the award of the Degree of Master of science in Accounting and Finance and is a record of research work carried out by **NigatuTaye**, under my guidance and supervision.

Therefore, I hereby declare that no part of this thesis has been submitted to any other University or institution for the award of any degree.

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DECLARATION

I hereby declare that this thesis entitled “*The effect of revenue management on taxpayers’ satisfaction of category “C” taxpayers: A case study of Laga-tafoLaga-dadhi City Revenue Authority*” has been carried out by me under the guidance and supervision of Alem H. (PhD).

The thesis is original and has not been submitted for the award of any degree or diploma to any university or institutions.

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ACRONOMYS

ACFN Accounting and Finance

ANOVA Analysis of Variance

CHRAJ Commission on Human rights and administrative justice

ERCA Ethiopian Revenues and Custom authority

IMF Internal Monetary Fund

SERVQAL Service Quality

SPSS Statistical Package for Social Science

VAT Value Added Tax

ABSTRACT

Tax is the major source of public revenues, and government needs financial resources to play a role that is expected from it by the public. The major objective of this study is to examine the effect of revenue management on taxpayers' satisfaction using the case of Laga-tafoLaga-dadhi town Revenue authority and its taxpayers. The main rationale for undertaking this study is to bridge the research gap that most of the previous works did not address the causal relationships existing between revenue management and customers' satisfaction that belongs to category 'C' taxpayers. To achieve the objectives of this study, both qualitative and quantitative research approaches are been employed in line with this 357 questionnaires were randomly distributed to category 'C' taxpayers living in Laga-tafoLaga-dadhi town of Oromia regional state. The data collected through survey questionnaires is analyzed using SPSS software package. According to the findings of the study, three of the revenue management quality service indicators are found to have a positive and satisfactory significant effect on taxpayer satisfaction. Specifically, while reliability, responsiveness and empathy are found to be statistically significant; Tangibility and assurance of revenue management are found to be statistically insignificant at 5% level of significance. Based on the findings, the study recommend that the revenue authority should improve the current tax service and facilities to increase customers' satisfaction; improve taxpayers' attitude through tax education, awareness creation and consultation sessions; and the office should provide important services timely and adequately. It is also recommended that the office should solve the customers' complaint properly; keep their records accurately following the standards of documentation and filing.

Keywords: Revenue, revenue management, tax, satisfaction, taxpayers' satisfaction. Laga-tafoLaga-dadhi

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CHAPTER ONE

1. INTRODUCTION

1.1 Background of the Study

Revenue management plays a great role in achieving the national development of any nation revenue collected through taxes can really speed up which enhances the economic development a country and contributes towards social wellbeing of the society (Tiwari, 2017). Taxes are also important sources of public revenue. The existence of collective consumption of goods and services necessitates putting some of our income into government hands. Such public goods like roads, power, municipal services, and other public infrastructures have favorable results on many families, business enterprises, industries and the general public. Public goods are normally supplied by public agencies due to their nature of non-rivalry and non-excludability. The nature of consumption of public goods is such that consumption by one does not reduce consumption for others. Besides, consumption of public goods by an agent does not exclude others from doing the same. Such nature of public goods makes them impossible for private suppliers to avail them at market prices like other commodities.

Government intervention in the supply of public goods is therefore inevitable and can only be done if the public pays taxes for the production and supply of such goods. Despite the fact that people need to pay taxes based on rationales of vertical and horizontal equities, it is not always the case that tax systems are comprehensible and transparent for taxpayers especially for less literate business operators. Tax systems are usually not elaborated after proper consultation with the business community. The business owners complain that the tax assessment method is based on subjective estimation as a result of which they are frequently subjected to over-taxation. Since the business owners do not have simplified access to and clarification on the tax laws, they lack awareness on tax rules and regulations and this has an impact on the practicability of the regulations (ECC, 2005).

Taxes are one of the main potential sources from which the government generates its revenue. The tax revenue provides and enhances the public goods of physical and social infrastructures such as roads, transportation, electric power, pure water supply, health services, municipal services, and others which are normally non-rivalry and non-excludability by their nature

(Joseph, 2008). Intervention of the state in the provision of public goods is therefore expected, and canonically achieved when the citizens pay their taxes for the production and supply of such goods (Mengesha and Ashebir, 2013).

Kiser and Baker (1994) argued that tax systems in most poor countries are characterized by widespread corruption and tax evasion. Substantial amounts never reach the treasury. This evasion of the tax base has several detrimental fiscal effects.

The consequences of lost revenue to the funding of public services are of special concern (Tanzi, 2000). In addition, corruption and tax evasion may have harmful effects on economic efficiency in general and income distribution in particular (Chand and Moene, 1999). Furthermore, staff productivity may have changed possibly due to falling motivation caused by, for instance, declining real wages. However, there are many indications that an increase in fiscal corruption has contributed to reducing the growth in reported revenues (Chijoriga, 2012). Extensive corruption and embezzlement of public funds are documented in a number of reports from both commercial and official sources (Fjeldstad, 2003).

Mostly the citizens or customers are considered as a king or given the top of the issue in the reforms whenever a government committed to be more responsive to the demands and needs of its society (EUPAN, 2008). Strengthening the organization to better recognizing of the customers' satisfaction is a dynamic and relative and becoming to 'customer-oriented' service delivery helps an organization to improve customers' satisfaction and loyalty (Khadka and Maharjan, 2017). Therefore, the organizational strength of tax authorities as indicated by many scholars is vital for better attainment of its objective as well as satisfaction of its customers, the taxpayers. No tax will work effectively, unless its administrators take serious measures with respect to the correctness of the taxpayers' actions (Mehari and Pasha, 2017). Taxation is a very good source of revenue generation but policies on taxation should be made with due consideration for the welfare of the people in mind. Government should make the people have a sense of belonging by providing social amenities with revenue generated and defaulters in tax payment should be made to face the wrath of the law. When revenue management is done in this way, the economic goal of taxation will be achieved (Laffer, 2009).

In the Ethiopian context, as per the existing income tax proclamation No. 979/2016, of the federal government taxpayers are classified into three categories, namely category "A", "B", and "C" based on their volume of sales and business type are running. The law requires all

entities in the records and accounts to be supported by appropriate vouchers. Category “C” unless already classified in categories “A” and “B” include those taxpayers whose annual turnover is estimated by the Tax Authority at Birr 500,000 or less. Unlike the case for category “A” and “B” taxpayers, the income tax liability of Category ‘C’ taxpayers are determined using standard assessment.

Fixed amount of tax determining of such type of assessment in accordance with the Council of Ministers Regulation established Schedules, the Category ‘C’ tax is the most problematic category of taxpayers and is considered as hard to tax group due to the fact that these taxpayers pay taxes at fixed rate on the income estimated by the tax authority rather than declaring their income by themselves. Their daily income is estimated by an assessment committee and the taxpayers have little room to address their view so that frequent friction is observed in this area (Mengesha and Ashebir, 2013).

As a result of having a way to involve the taxpayers of Category ‘C’ business income schedules, there have been dissatisfaction of the taxpayers with regard to the services provided by the revenue administration, particularly with the tax assessment, revenue management and collection process (Mengesha and Ashebir, 2013). According to Aborampah (2010), satisfaction is a subjective concept and depends on so many factors and varies from person to person. Taxpayers’ satisfaction mainly depends on revenue management quality service with respect tax administration. Government institutions specially tax administrations, have been launching new strategic approaches and reforms to ensure taxpayers’ satisfaction with quality and modern service to place taxpayers at the center of the tax administration system to achieve the overall objectives of any revenue authority. However, in practice, service quality practices in many public sector organizations are slow and further exacerbated by difficulties in measuring outcomes due to greater scrutiny from the public and the press, lack of freedom to act in an arbitrary fashion and a requirement for decisions to be based on law (Teicher et al., 2002).

Similar to other countries, the Ethiopian Government adopted the Ethiopian Service Delivery Policy in 2001 with the main objectives of ensuring efficiency and effectiveness of service delivery; equity in access to government services; and ensuring accountability for failure to provide services in public institutions including the revenue sector (Desta, 2008). The Ethiopian Government has been undertaking substantial reforms in reforming and modernizing the revenue administration to provide equitable, efficient and effective service to taxpayers. On

the contrary, some researchers emerged to argue that tax administration in general and the service delivery in particular of the revenue sector is poorly performed (Reddy, 2018).

Therefore, the research is intended to examine the effect of revenue management on taxpayer satisfaction of category “C” taxpayers in Laga-tafoLaga-dadhi town Revenue authority.

1.2 Statement of the Problem

To finance public expenditures, the government collects funds from different source of finance which can be raised through tax and non-tax sources of revenue. The source of tax revenue may be direct and indirect taxes that the government levy and collect from the citizens. Among direct tax business income tax which is one of the income taxes collected by the government to finance its expenditure, is an income tax imposed by the government on the profit of business organizations (Abate, 2019).

The complexity of tax law, regulations and directives to assess and collect tax, administration problem of the tax authority, lack of awareness of tax payers about benefit of tax for country’s development, lack of competent personnel to assess and collect tax, non-compliance of the tax payers, weak tax administration negatively affecting government’s capacityto achieve its objective and to raise tax revenue. As a result, clear and applicable tax rules and regulations, competent tax officers, taxpayers’ awareness about the benefit of strong tax administration contribute towards achieving the objectives of collecting sufficient tax revenue for the country’s development endeavors (Getachew, 2005). For effective implementation of the tax system, the government has established different bureaus at different levels extending from federal to woredalevel.

Several studies have been conducted concerning the assessment of the tax system in Ethiopia. For example, Ali (2016)assesses the quality of taxpayer service in western Addis Ababa taxpayer branch of Ethiopian revenue and customs authority; Ambachew(2011) examines the level of customers’ satisfaction with customs service delivery of the Ethiopian Revenue and Customs Authority in Addis Ababa; Rahel (2017) explores the effect of service quality on business taxpayers’ satisfactions in Gulele sub-city with respect of the service quality dimensions and Temtime (2014) investigates the federal business taxpayers’ satisfaction with the tax system with specific regard to the tax taxpayers’ services, tax policy, tax administrative mechanism, and tax law enforcement. However, there is no specific study conducted to assess the level of Category ‘C’ satisfaction in response to tax revenue management on the side of tax

collection authority. In reality, there are many businesses categorized under the category ‘C’ Taxpayers that would potentially make the effect of revenue management on category “C” taxpayers’ satisfaction relevant and timely.

To the best of the researcher’s knowledge, there are several empirical and theoretical studies that tried to link taxpayers’ satisfaction with the general service quality (Abate, 2011; Ambachew, 2011; Ali, 2016; Rahel, 2017; Temtime, 2014 and Getachew 2005). In particular, these previous studies (i) applied descriptive analysis and thus do not provide parameter estimates showing the degree of relationship between taxpayers satisfaction and service quality (revenue management) (eg. Ali, 2016; Rahel, 2017; Temtime, 2014 and Getachew 2005 applied ordinary least square to estimate the parameter it is not appropriate to estimate the parameter of qualitative approach); (ii) some of these studies are constrained by the insufficient sample size so as to apply econometric estimations (eg. Ali, 2016; Rahel, 2017; Temtime, 2014 and Getachew 2005 have applied multiple linear regression model but this is not an appropriate econometric model for qualitative data); (iii) similarly, there were also little effort to cover the important managerial and administrative features tax authority that could significantly influence taxpayers’ satisfaction. This study, therefore, attempts to identify factors affecting the taxpayers’ satisfaction regard to Category ‘C’ taxpayers on service quality of the revenue management.

1.3 Basic Research Question

The following basic research questions have been raised to address the questions of the study:

1. How tangibility affect therevenue management on Category ‘C’ taxpayers’ satisfaction?
2. What is the effect of reliability of revenue management on Category ‘C’ taxpayers’ satisfaction?
3. What is the effect of responsiveness of revenue management on Category ‘C’ taxpayers’ satisfaction?
4. What is the effect of assurance of revenue management on Category ‘C’ taxpayers’ satisfaction?
5. What is the effect of empathy of revenue management on Category ‘C’ taxpayers’ satisfaction?

1.4 Objectives of the Research

1.4.1 General Objective of the Study

The general objective of the study is to examine the effect of revenue management on taxpayers' satisfaction taking the case of Laga-tafoLaga-dadhi Town Revenue Authority.

1.4.2 The Specific Objective of the Study

The specific objectives of this study are:

1. To examine the effect of tangibility of revenue management on Category 'C' taxpayers' satisfaction.
2. To identify the effect of reliability of revenue management on Category 'C' taxpayers' satisfaction.
3. To evaluate the effect of responsiveness of revenue management on Category 'C' taxpayers' satisfaction.
4. To examine the effect of assurance of revenue management on Category 'C' taxpayers' satisfaction.
5. To analyze the effect of empathy of revenue management on Category 'C' taxpayers' satisfaction

1.5 Research Hypothesis

After careful consideration of all independent variables and the dependent variable of the study, the hypotheses of this study were based on the conceptual frame work that was discussed in the review of literature.

This study tested the following research hypotheses:

H1: Tangibility of the revenue management significantly affect tax payer's satisfaction in the selected LagatafoLagadadi town tax administration category C tax payers

H2: Reliability of the revenue management significantly affect taxpayer's satisfaction in the selected LagatafoLagadadi town tax administration category C tax payers

H3: Responsiveness of the revenue management significantly affect tax payer's satisfaction in the selectedLagatafoLagadadi town tax administration category C tax payers

H4: Assurance of the revenue management significantly affect tax payer's satisfaction in the selected LagatafoLagadadi town tax administration category C tax payers

H5: Empathy of te revenue management significantly affect taxpayer's satisfaction in the selected LagatafoLagadadi town administration category C tax payers

1.6 Significance of the Study

This study therefore, is useful to create awareness among policy designers, decision makers, practitioners and the community pertaining to the challenges of the business income tax Category "C" taxpayers' satisfaction; and, obtain information, knowledge and experience that may serve to improve the Category "C" taxpayers' level of satisfaction in the study area and on the basis of the study findings, the report has conclusions and forwards some recommendations that will benefit the tax administration office to identify the factors that affect the taxpayer service quality and to take corrective remedies. Moreover, it may be able to serve as a reference for those who are going to carry out further study in this field in depth and as a reading material who are interested to conduct study.

1.7 Scope and limitation of the Study

Due to resource, constraints and shortage of time the study focused particularly taxpayers' satisfaction part of one branch the business income tax of Category 'C' sample taxpayers researcher selected Laga-tafoLaga-dadhi town study. Since it is difficult to evaluate the whole tax branch authority, due emphases was given to selected branches found in Oromia region. The main limitation of this study was unwillingness to provide the right information by respondents in the process of collecting the relevant data. In addition, respondents delay in giving the required data, and a few respondents fail to respond to requests which make data collecting time longer and finalization of this study. The limitations are some targeted respondents were reluctant to share sensitive information while others misinterpret the intentions behind the research and refuse to provide accurate information for fear of disclosure besides assurances of confidentiality. However, by discussing the relevance of the study to the respondents it would help to provide the required information. The researcher has presented an introduction letter to be obtained from the university to the respective institutions and this might help to avoid suspicion and enabled the respondent to disclose much of the information sought by the study. Besides, the most compelling limitation is COVID-19; it has been a series

challenge to approach the respondents and communicate them the reality concerned with revenue management.

1.8 Organization of the Study

This thesis is organized in six chapters. Chapter one deals with the background of the study, statement of the problem, research questions, objective of the study, significance of study, scope and limitation of the study, and the organization of the study. Chapter two deals with related literature review of theoretical, empirical and conceptual details. Chapter three discusses research methodology which included description of the study area, research design, types and sources of data, study population, sample design, methods of data collection, data analysis and presentation, validity test, reliability test and ethical considerations and fourth chapter explains about results the fifth chapter provides discussions and also the last chapter explains about summary of findings, conclusion and recommendations.

CHAPTER TWO

REVIEW OF RELATED LITERATURE

The following chapters going to deal with the review of related literatures which could substantiate the research topic. Accordingly, the chapter has three parts each part is divided in sub sections section 2.1 is all about theoretical review section 2.2 discuss about the empirical review and 2.3 about conceptual framework of the study.

2.1. Theoretical Review

Theoretical review shows the general issue on taxation and practices in their category as the follows sections.

2.1.1. Definition of Taxation

A tax is a compulsory charge and those who are taxed have to pay the sums irrespective of any corresponding return of services or goods by the government. Taxes are generally compulsory contributions of wealth levied upon persons, natural or corporate; to defray the expenses incurred in the common interest of all, without reference to the special benefit incurred (Bhatia, 1976). Besides, Hughes (2003) asserted that "...tax is a compulsory contribution imposed by public authority irrespective of the exact amount of service rendered to the taxpayer in return, not obligatory as a penalty for any official offence." In general terms, tax can be defined as a contribution from individuals out of their private property for the maintenance and defense of government, so that it may achieve its functions and the ends of the state be realized.

Tax has been defined by several experts and specialists in some ways. Theoretically, tax can be defined or grasped as a compulsory transmission of resources from the private to the public sector (Uremadu, 2000). According to Lymer and Oats (2009) tax is defined as a compulsory charge, imposed by government or other tax raising body, on income, expenditure, or capital assets for which the taxpayer collects nothing specific in return. For decades, policy makers and politicians have criticized against the tax gap. However, the tax Gap defined as the difference between what taxpayers are legally obligated to pay in taxes and what they actually pay in taxes has begun to gain recognition as a powerful policy tool. In this regard, Adams (1921) defines the tax gap as the difference between the tax which would be raised under a hypothetical, perfect enforcement of tax laws and the actual tax payments. In other words, the tax gap is the difference between the tax revenue that the

government should collect from the taxes owed in the country if everyone complied with the law and the amount of tax revenue the government does actually collect

The taxes are the major source of the public revenues, and government needs financial resources to act as a government and play a role that is expected from it by the public. So what the Administration gives, it must first take away. The economic resources available to society are limited, so an increase in government expenditure normally means a reduction in private spending (James and Nobes, 2000). In addition, James and Nobes state that taxation is one method of transferring resources from the private to the public sector. They are also used as an instrument that stabilizes the economy, and reduces private demand in order to be able releasing the resources for public sector use.

2.1.2. Customer Satisfaction

Literature establishes that customer satisfaction is a key to long-term business success (Zeithaml, 2000). To keep or gain market shares, organizations need to outperform competitors by offering high quality product or service to ensure satisfaction of customers (Tsoukatos and Rand, 2006). Public organizations need to understand customers' service requirements and how it impact on service delivery and customers' attitudes, for a small increase of customer satisfaction can to customer loyalty and retention (Bowen and Chen, 2001).

With enhance understanding of customers' perceptions; companies can determine the actions required to meet the customers' needs. They can classify their own strengths and weaknesses, where they stand in comparison to their competitors, chart out paths for future progress and improvement (Tsoukatos and Rand, 2006).

Customer satisfaction is conceptualized as transaction-specific meaning it is based on the customer's experience on a particular service encounter, and also some think customer satisfaction is cumulative based on the overall evaluation of service experience (Zeithaml, 2000). These highlight the fact that customer satisfaction is based on experience with service provider and also the outcome of the service.

2.1.3. Factors Affecting taxpayers' Satisfaction

Today's world of intensive competition requires firms to keep the know-how of high-quality service as a maintainable competitive priority (Lee, 2013). Identification of factors

responsible for customer satisfaction is a vital concern of marketing scholars & marketers in now a days and it will remain in the future. There is considerable evidence that factors affecting customer satisfaction in plentiful ways (Rahman, 2014). Many studies have found a direct positive link between service quality perceptions & customer behavioral intentions (Zeithaml et al., 1996).

Rahman et al. (2014) have summarized the factors which affect customers' satisfaction as the following.

Service reliability: Reliability is about the accuracy and timeliness in the service provided. Service reliability refers to accessibility. Service is available when desired (when the customer wants to use it)

Continuity: Customers have an uninterrupted service over desired duration and Performance meets the customers' expectations. In order to maintain the customer, the organization needs to ensure that the right products and services, supported by the right promotion and making it available at the right time for the customers. Degree of service reliability has significant influence on degree of customer satisfaction.

Service competitiveness: Service competitiveness refers to the degree of fitness of a service organization in dealing with competing with other competitive business firms; high degree of competitiveness leads to higher innovativeness in goods and services leading to strategic advantages in market place & higher customer satisfaction. Companies can foster customer value learning and incorporate it as a cornerstone of their competitive strategies). There is a significant relationship between service competitiveness and the customer satisfaction.

Service consistency: Consistency determines the desirable service qualities for clients. Service consistency is an expectation of all customers at all times; they want peace of mind and no unpleasant surprises. In service, consistency implies achieving sameness, uniformity and fairness in the delivery or execution of all the service attributes, regardless of time, place, occasion, and service provider. Therefore, service consistency refers to degree of conformity of service value whereas customer perceived that they received service in a consistent manner without any variation. There is a significant relationship between service consistency and the customer satisfaction.

Pricing: Several factors affect customer satisfaction, price is one of them. Price is used as an indicator of product and service quality, which results in better expectations from the

product and service, and determines higher satisfaction. Price reasonability and consumer satisfaction are significantly associated with each other. The customers can switch to any other cellular service provider who offers fair prices. This reveals that the consumers can be held on to for a longer duration by offering them the fair prices. So, the customer satisfaction is caused by the fairness of the price. Therefore, there is a significant relationship between pricing and the customer satisfaction.

Quality of offering: Quality Function Deployment (QFD) model used to incorporate customer wants and desire in product and service requirement for satisfying want, desire and expectation of ultimate customers. Quality of offering how does consistent with demand and qualitative to the customers depends on corporate translation it into product and service requirements. Here, quality of service refers to how particular service offering able to meet customer expectation. Higher the fulfillment of expectation; higher will be customer satisfaction. Therefore, there is a significant relationship between quality of offering and the customer satisfaction.

Customer demand fulfillment: Service providers render services in expectation to fulfillment of customer demand. For fulfillment of customer demand requires an intensive investigation to find out what the customer expected and incorporate it into service requirement. Higher degree of usefulness of service leads to a higher degree of customer satisfaction. Therefore, there is a significant relationship between customer demand and the customer satisfaction.

Value added service: Value added service refers to additional service for maximizing and adding value to existing customer satisfaction. Value added service have significant influence on customer satisfaction in different service industries. Therefore, there is a significant relationship between value added service and the customer satisfaction.

Brand Value: Marketing academics and practitioners have repeatedly reported that consumers look for brands that provide them with unique and remarkable experiences. As a result, the concept of brand experience has become popular among marketers. The industry depends on people's experience on quality and a good experience may lead to better purchase intention which could build a better image on the market. Since the market is highly competitive, it is recommended that only high quality products and services be offered to customers.

2.1.4. Revenue Management

State revenue comprises of receipt from various sources such as taxation as well as those which are not the proceeds of taxation, but of either the realization from the sale of government properties or other interests and returns from loans and investment earning. Bhatia (2001) contends that revenue receipt include “routine” and “earned” income. For these reasons, according to him, revenue do not include borrowing and recovery of loans from other parties, but it includes tax receipts, donations, grants, fees and fines and soon. Similarly, Pearce (1986) defined government revenue as all the money received other than from issue of and debt, liquidation of investments. Government revenue includes tax collections, charges and miscellaneous revenues, utility and insurance trust revenue for all funds and agencies of a government. Holzer and Kimes (2002) define revenue management as a method of selling a product to the right customer at the appropriate time and at an acceptable price. This he said would ensure that profits are maximized.

According to Stephen and Osagie (1985) public revenue is concerned with various ways in which the government raises revenue. From the above definitions, it can be said that revenue is the total amount of income accruing to a state from various sources within a specified period of time. Government has sources and uses of revenue. Osisami (1994) states that there are basically two types of revenue that accrues to state governments. These are internally generally generated revenue and revenue allocated from the Federation Account. Internally generated revenue are those revenues that are derived within the state from various sources such as taxes (pay as you earn, direct assessment, capital gain taxes, etc.), and motor vehicle license, among others. While the statutory allocation from Federation Account, Value Added Tax constitute the external source. Most states of the federation get the bulk of their revenue in form of statutory allocation from the federation account to finance their expenditure programs (Mukhtar, 1996). However, it should be noted that sources of revenue are by no means uniform among the states. States derive their revenue depending on the resources available to them (Anyafu et al., 1996) defined public money as all money received by a public body from whatever source.

2.1.5. Dimensions of Service Quality

This study considers eight dimensions of service quality (tangibles, responsiveness, empathy, assurance, reliability, access, financial aspects, and employee competences) that have an impact on customer satisfaction, in order to identify each factor’s potential impact

on the taxpayers' satisfaction of category 'C'; taxpayers living in Laga-tafoLaga-dadhi Town. These dimensions consist of the five dimensions of the SERVQUAL model.

2.1.5.1. Reliability

Parasuraman et al. (2006) and Parasuraman et al.(2012) stated that reliability means organizations perform a service correctly the first time. Moreover, it shows that organizations strive to fulfill promises and pay attention to the results. Reliability has been classed as the first dimension of the SERVQUAL service quality model. Studies of Lam (2002) ranked reliability as first in the dimensions of the service quality model.

2.1.5.2. Assurance

Assurance has been defined as employees' courtesy and knowledge, and their capacity to transfer confidence and trust to customers Lam (2002). The opinions of researchers on the ranking of assurance among service quality dimensions are varied. Assurance is ranked first according to Gronroos (1015). According to the author, assurance means keeping customers informed in their native language and listening to them, regardless of their educational level, age, and nationality. Parasuraman et al.(1988) states that assurance indicates the attitudes of the employees and their behavior, and the staff's ability to provide friendly, confidential, courteous, and competent services.

2.1.5.3. Responsiveness

Parasuraman et al. (1988) highlighted that the responsiveness of willing employees involves telling customers exactly when things will be done, giving them undivided attention, promoting services, and responding in accordance with their requests. Responsiveness was ranked as the third dimension in SERVQUAL 1994.

2.1.5.4. Tangibles

Parasuraman et al. (1988), identify tangibles as physical facilities (equipment, personnel, and communications materials). It is the physical image of the service that customers will use to assess quality. Tangibles are associated with the physical facilities, tools, and machines used in order to provide the service, as well as representations of the services, such as statements, cards (debit and credit), speed, and efficiency of transactions. Numerous privileges are included in tangibles such as; external appearance, counters in the bank,

overdraft facilities, opening hours, and speed and efficiency of connections. Parasuraman et al. (1988) stated that tangibles have the same significance as empathy. The authors argued that it is advisable to consider including opening hours of operations under the empathy dimension. They further stated that the reliability dimension may include overdraft privileges. Sharmin et al. (2016) reflect tangibles as a distinct element, showing consistency across cultures.

2.1.5.5. Empathy

Customers need to feel that they are made priority by the organization providing services. Empathy means caring, paying personal attention, and providing services to customers. Parasuraman et al (2006). The core of empathy is conveying the feeling that the customer is unique and special. According to Parasuraman et al. (2006), quantitative studies that have identified service quality model dimensions have used security, credibility, and access to measure empathy.

2.1.5.6. Access to Service

Yarimoglu (2014) defines access as approachability and ease of contact—the service is easily accessible by telephone, the waiting time to receive the service is not extensive, there are convenient hours of operation, and the service facility is in a convenient location. As the author stated, access means the ease and convenience with which customers can use the services that the public agencies offer. Approachability and ease of contact are the two most important elements of accessibility. Research has shown that greater accessibility to services results in increased customer satisfaction Yarimoglu (2014). As the author further stated, accessibility may have a significant direct or indirect influence on the customer satisfaction and loyalty.

2.1.5.7. Employee Competences

Hadad (2000) states that an optimal service is the result of several integrated factors related to individual service, employee competences and organizational strategies that suit appropriate skills. According to him, human competency is one of the most common areas involved in the management of people at work. It is very problematic to enjoy life without productive work and any activity that has so much importance must induce strong and positive or negative reactions and these reactions tell how satisfied or dissatisfied one is with

one's work. As Haddad (2000) specified, employees' competences include knowledge, skills, abilities, values, motivation, initiative, and self-control.

2.1.6. Principles of Revenue Management

The following are some of the principles of revenue management.

- a) Public revenue management related regulation should exist: Accounting can be perceived as a neutral tool for revenue control. Accounting in addition to technical aspects, such as bookkeeping and liquidity management, it also provides guidelines for political assessments and how the administration of public services takes place, and they trigger growth (Veggeland, 2009).
- b) National and international standard and guidance on best practice should be applied.
- c) Fair and equitable distribution of tax burden; applying ability to pay and benefits: According to Tanzi (2003) people's tax payment should be in line with their income and they are required to pay a tax in proportion to their level of income on the other part of tax collectors, collection of revenue should be time conscious and convenient and the cost of collecting the taxes should not be high to discourage Business.
- d) Revenue neutrality: An important economic principle in the design of taxes is that taxation should be "neutral". "Neutral" (in the economic sense) means that the tax does not alter the decisions about investment, production, consumption and trade that would be made in the absence of the tax unless the tax is deliberately intended to do so.
- e) Revenue management should ensure revenue productivity

The main functions performed by revenue management cover the following areas:

- I. Planning for future income levels including the determination of income sources and tariffs;
- II. The physical collection of revenue through the cashier system;
- III. Accounting for revenue collected in the government accounting system,
- IV. Ensuring safe and secure arrangements for handling cash and transferring it to government bank accounts (Explanatory Note, 2002).

The principles of revenue management implemented and enforced through detailed procedural rules specifying the scope of the budget, the information to be included in it, the timetable for taking particular actions, the forms to be used, the authorization required

before public funds are spent, and soon. Every principle is backed by formal rules which are enforced by revenue controllers at the center of government and in the spending departments. The accumulated principles and procedures comprise due process in revenue management (Schick, 1999).

If the above principles are properly implemented it will result the Achievement of the intended purpose through wise utilization of the scarce resources as well as it will increase public confidence on the government. Proper utilization of revenue has social, economic and political benefits. Socially, as is known some revenues are allocated for social welfare program, like, Education, Health and others. If the revenue allocated for social welfare is properly utilized, social objective will be ensured. Economically it will motivate tax payers because they will believe that their contribution has value for money and as well as return for them in the form of public services, it further guarantees for the government access to others resources. Politically, people vote for those governments who discharged their promises during election (researchers“ observation).

2.1.7. Challenges of Revenue Management

The increasing complexity of the public administration environment and the continuous need to align the needs of society with limited resources require that funds are made available for a specific purpose and used for that purpose. However, in developing countries, specially, in Africa there are many problems regarding utilization of the available resource for the intended purpose. According to a report by (the World Bank, 1998), the following weaknesses are frequently observed.

1. Poor planning having no links between policy makings, Planning and budgeting:
2. Poor expenditure control
3. Inadequate funding of operations and maintenance
4. Little relationship between budget as formulated and budget as executed
5. Insufficient accounting system
6. Untrustworthiness in the flow of budgeted funds to agencies and lower levels of government
7. Poor management of external aid.
8. Poor cash management
9. Inadequate reporting of financial performance and poorly motivated staff.

2.1.8. Revenue management systems in African countries

Many local tax systems in Africa are characterized by high levels of arbitrariness, coercion and corruption. A widely found feature is the huge number of revenue instruments used by local authorities. Local governments seem to raise whatever taxes, fees, and charges they are capable of raising, often without worrying about the economic distortions and distribution effects that these instruments may create. A complicated and non-transparent local government revenue system is costly to administer and it facilitates corruption and mismanagement. Moreover, many local taxes have a distorting effect on resource allocation decisions, and thus an inhibiting effect on the start-up of new enterprises and the achievement of economic growth. These effects occur when effective rates vary greatly between different goods that are traded, or when license fees are set too high for start-up small-scale enterprises to survive. In a study of small and medium sized enterprises in Zambia, Misch et al. (2011) found that the effective tax burden varies substantially between firms. Enterprises face a range of different taxes, fees and licenses, and the types of taxes that firms are subject to differ - not only between sectors, but also between firms within the same sector. Even among marketers in the same municipality the type of fees and levies may differ substantially.

In addition, the levels and types of local revenue instruments by themselves can result in the tax burden falling more on the poor than on the relatively better off in local communities. A recent study from Uganda shows that small informal non-farm enterprises pay local taxes in a regressive way (Pimhidzai and Fox 2011). While the majority of the micro enterprises in the Ugandan sample were poor enough to be exempted from the national business taxes (i.e. the small business tax and VAT) they ended up paying a large share of their profits to local authorities - with the poorest paying the highest share of profits. This is mainly due to the basic design of the local revenue system and the way revenues are collected. Thus, a top-down drive toward more tax revenue from this sector through formalization could be counterproductive, and would increase the vulnerability of this segment of informal enterprises.

2.2. Empirical Review

Tax has a long history in Ethiopia, but the modern tax system began in early 1940s. Start with the establishment of a separate tax management body in 1995; successive reforms were

started in the organization of tax management and establishment of the Ethiopian Revenues and Customs Authority (ERCA) in 2008. Tax is collected by federal, state or regional governments. In Ethiopia, the tax revenue covers over 70% of the total government expenditure (Yesegat and Fjeldstad, 2016).

Fonseca et al. (2010) studied service quality and customer satisfaction in public transports. In order to explore the relationship between service quality and customer satisfaction, the concepts of service quality, consumer satisfaction and dissatisfaction are assessed. The results of the study put in evidence two key findings. The first is related to the level of service quality in its main dimensions. They concluded that reliability, security, speed, comfort and punctuality are quality dimensions of greater importance for the public transport services.

Secondly, the study explored satisfaction and their determinants. Despite literature stipulates the existence of a distinction between the constructs of quality and satisfaction, this study found that the Transport Company, non-customers and customers clearly do not make such a distinction.

Benjamin (2012) studied Service quality and customer satisfaction in public sector organizations: a case study of the commission on human rights and administrative justice (CHRAJ). The research paper assessed the relationship between service quality and customer satisfaction and how the dimensions of service quality impacts on customer satisfaction, that is mainly to identify how changes in service quality can be made to generate positive changes in the customer satisfaction in CHRAJ . Modified SERVQUAL instrument incorporated and his finding showed there is a positive relationship between service quality and customer satisfaction and that improvement in service quality can lead to the achievement of higher customer satisfaction while some are not. On his recommendation that the Commission should concentrate on those service quality attributes which the clients considered most important and should be improved to deliver high service quality.

Study was made by Shikhaliyev (2011) on Assessment of Taxpayers' Satisfaction with Tax Administration Reforms in Azerbaijan. The survey was conducted in two stages, first by selected respondent from four geographical locations because satisfaction can be affected by emotional factors (perceptions and expectations). This stage focused on satisfaction within four primary services (e-tax return system, call center, website, and taxpayers service

terminals) being provided by the Azerbaijan ministry of tax. In the second stage of survey the answers from small and medium enterprise representatives and individual entrepreneurs by the survey questionnaire. The findings of the study show that the general level of satisfaction with service and awareness provided by ministry of tax is quite high. The general opinion on the e-tax return system is positive and the level of satisfaction is high. The survey also found that telephone information Service, as a source of general information. The ability to receive information at any time and place is another factor that satisfies the taxpayers. The weakness of this survey was unclear objectives as it was based on tax administration reforms, i.e. the survey didn't specify the specific reform to be studied.

As Ambachew (2011) study conducted on assessing the stage of customers ' satisfaction with customs service delivery of ERCA in Addis Ababa. The study was basically a survey that used both qualitative and quantitative approaches to study the customer satisfaction by using the original five service quality dimensions developed by Parasraman et al. (1988). A planned questionnaire was developed, pre-tested and personally administered to the target population of individual customs clearing agents and the president of transit association. One hundred thirty-two (132) respondents were sampled from the target population of five hundred ninety-eight (598) officially registered Customs Clearing Agents in Ethiopia. A simple random sampling technique was employed for selecting customs clearing agents and purposive sampling technique was used to include the president of transit transport operators association of Ethiopia. Data were obtained from questionnaires, document analysis, and interview with the president of the transit association. All the respondents finished and returned the respective questionnaires prepared (for customs clearing agents and the president of the association). According to the analysis of the causes for customers' dissatisfaction, institutional and employee's factors are found to be highly influential. Depending on the results of the study customer satisfaction associated with ERCA service was established to be low. The result also indicated that "assurance" is the most important dimension which can influence the overall satisfaction of the customers followed by "reliability", "responsiveness", and "empathy", while "tangibles" was found not to be significantly important to the customers in ERCA. Generally, the study implies that ERCA and other stakeholders should take workable measures to improve customs service quality to satisfy customers by focusing on the dimensions identified as more important assurance, reliability, responsiveness and empathy in this study.

According to Temtime (2014) studied on federal Business Taxpayers' Satisfaction with the Tax system. The study focuses on examining the views of taxpayers toward the tax taxpayers' services, tax policy, tax administrative mechanism, and tax law enforcement. The study adopted a sequential explanatory mixed method research approach. The data was collected from federal business taxpayers through questionnaire and in-depth interview and descriptive. The collected was analyzed using descriptive data analysis. The findings of this study shows that business taxpayers are not satisfied with the existing tax systems. The ways tax authority provides tax information to taxpayers, tax collection and tax refund, administration capability to solving taxpayers' problem and the area of tax audit procedures are found to be the major dissatisfied areas. Moreover, the finding revealed that the tax system is so complex and unfair, discretionary treatment by officers and existent of lack of monitoring in the tax authority. Finally, the thesis suggests a series of measures which could be taken by the government in general and tax authorities in particular are; improving tax policy and administration issues; step up their duty of promoting tax awareness, tax officers should be given intensive and repetitive training to improve their attitude and promoting code of conduct with emphasis on ethical values and finally, tax refund procedure would be improved (Temtime, 2014).

According to study conducted by Ali (2016) Service quality is one of the critical success factors that influence the competitiveness of an organization. Users of public service, unlike consumers in the private sector, usually have little or no option to go elsewhere for services or to with draw payment. Organizations that provide public services therefore need to take additional steps to ensure that services are of a high quality. Service quality is used to measure service quality amongst the taxpayers and employees of the branch. The purpose of this paper is to obtain a better understanding of the extent to which service quality is delivered within the western Addis Ababa medium taxpayer branch of ERCA. Cohens (2007) mathematical calculations (tables) were used in determining the size of a sample 365 from the population of 10,085 was taken as a respondent. Data collection methods employed was questionnaires and interviews for taxpayers and tax officials. The data has been analyzed via reliability method, descriptive statics and one sample t-test. The finding shows that the overall service quality perceived by taxpayers was not satisfactory, meaning all the five dimensions showed higher expectations than perceptions of service delivered by the branch. This implies that, west Addis Ababa taxpayer branch office is not providing the level of service quality demanded by taxpayers. The findings suggest that the western

taxpayer branch office need to improve all the five dimensions of service quality. Finally, concerned officials of the branch should assess service quality satisfaction continuously to keep the services corresponded with customers' point of view Ali (2016).

According to Rahel (2017) conducted study to examine the effect of service quality on business taxpayers' satisfactions in Gulele sub-city with respect of the service quality dimensions. The Cochran (1963) sampling were used to determine the size of the sample that is 250 from the population of 3,850 was taken as respondents and the researcher used non sampling method, convenient sampling. Data is collected through questionnaires and interview for taxpayers and tax officials. Hence, the data has been analyzed using reliability test, descriptive statistics and inferential statistics. The finding shows that the overall service quality perceived by taxpayer was less satisfactory meaning all the five dimensions showed the level of service as an average and this implies that, the sub-city tax administration is not providing the level of service quality demanded by the taxpayers. Furthermore, tangibility, reliability and empathy do have significance influence on taxpayer satisfaction in the selected sub-city accordingly, responsiveness and assurance does not have significant influence on taxpayer satisfaction in the sub-city. Additionally, overall service quality and taxpayer satisfaction is positively correlated which means the better service quality was the higher taxpayer satisfaction

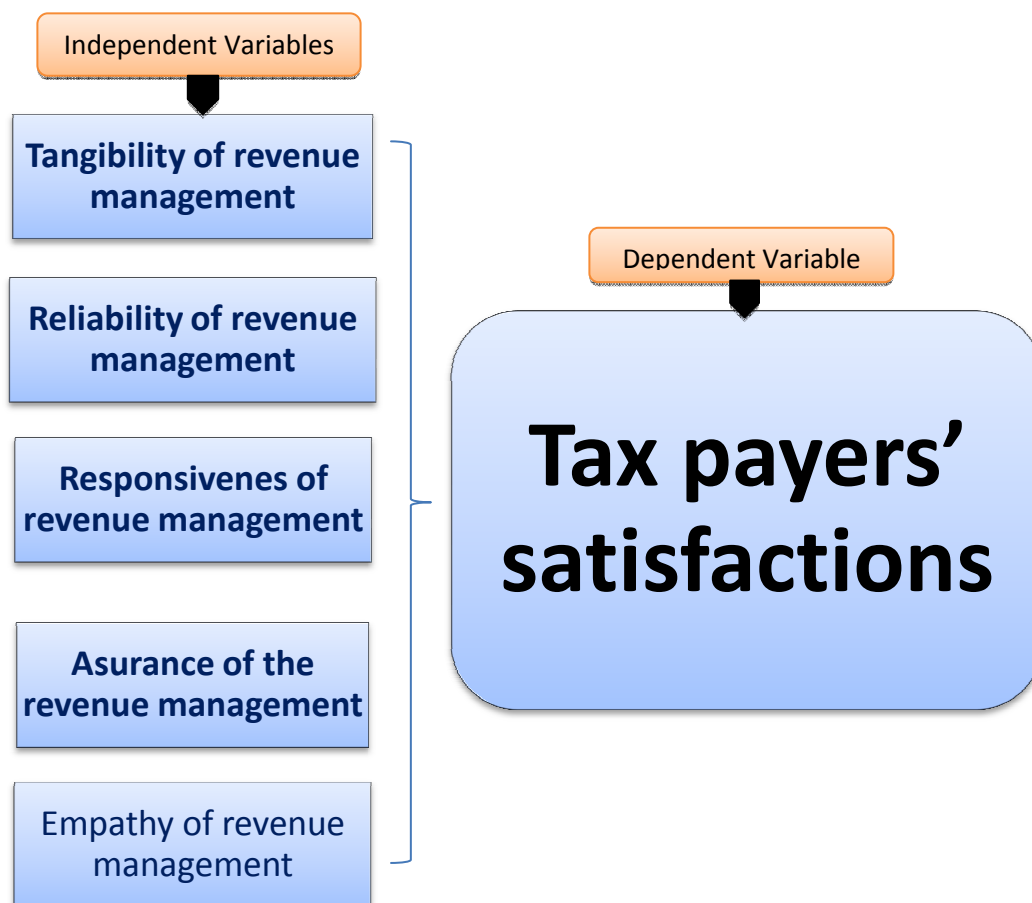
2.3. Research Gap

Different researchers and scholars have undertaken series of studies on different aspects of revenue management and taxpayers' satisfaction. Several academic researches and studies have been made to identify and alleviate problems related to the issues of revenue management, quality service delivery and customers' satisfaction. The most outstanding shortcomings observed in those related research undertakings are that they are not taxpayer category specific. Almost all of the existing related research works are too general that cannot address problems of each taxpayer's category such as category "A", "B" and category "C". No research and study have been done on effects of revenue management and category "C" taxpayer's satisfaction so far. Additionally, to this the previous researcher does not measure the magnitude of each independent variable with dependent variable Therefore, the author of this research paper is motivated to fill the gap and add information to the existing literature.

2.5. Conceptual Framework

Conceptual framework is a diagrammatic presentation of the relationship between dependent and independent variables (Mugenda and Mugenda, 2003). In this study, the dependent variable will be taxpayers' satisfaction while independent variables are the components internal of revenue management i.e. components that directly impact tax revenue/administration. These components are categorized as tangibility of revenue management, reliability of revenue management, responsiveness of revenue management, empathy of revenue management and Assurance revenue management shown in Figure 2.1 below.

Figure 2.1.A conceptual framework showing the Impact of Revenue Management Tangibility, Reliability, Responsiveness, Assurance, and Empathy on Tax Payers' Satisfaction.



CHAPTER THREE

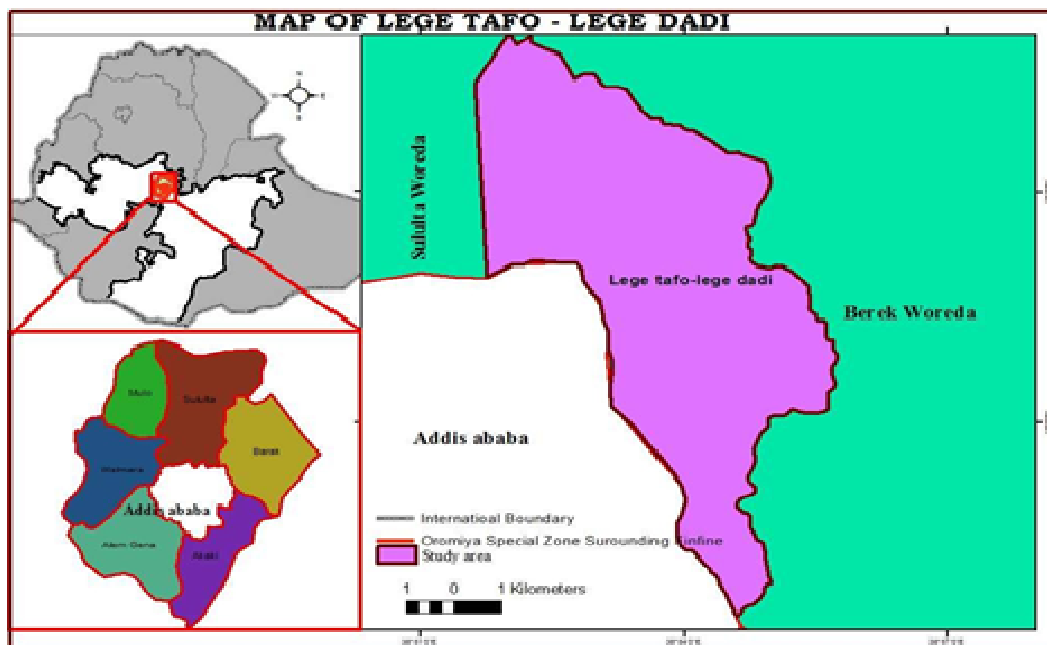
RESEARCH METHODOLOGY AND DESIGN

Introduction

This chapter presents the research methods employed to conduct the research project. In this chapter, important issues related to the methodology are included. The main points included in this chapter are area of the study, sampling design, research design, data sources, and methods of data analysis. The whole part focused on the study of effects of revenue management on taxpayers' satisfaction. The methodology is designed in line with the research questions and research objectives specified in the study.

3.1 Description of the study Area

Laga-tafo-Laga-dadhi town administration is located in Oromia National Regional State, along the avenue to Dessie- Mekele at a distance of 21 km from Addis Ababa, the capital city of Ethiopia. The town is surrounded by Berekworeda of special zone surrounding Finfinnee in all directions except in South West which surrounds Addis Ababa. The town administration has four kebeles namely, Laga-Tafo (01) and Laga-Dadhi (02), Dambel (03) and Eka Sadden (04) within an area of 24350 hectares. According to Oromia urban planning Institute, the town had a population of 52054.in the year 2016)Mesfin and Birhanu (2020))



Source Mesfin and Muktar 2006

3.2 Research Approach

To study of the effects of *revenue management on taxpayers' satisfaction*, we have used mixed methods research approach, including quantitative and qualitative, approaches. First, we present descriptive statistics including correlation coefficients and summary statistics, on revenue management and taxpayers' satisfaction based on numerical data collected from the survey. The revenue management of certain issues and taxpayers' satisfaction is subjective, and depends on the taxpayers' behavior. In order to make inference about the population of taxpayers using our sample data, we employ inferential statistics. Specifically, we estimate a regression model specified based on the conceptual framework stated above and test the hypothesis that revenue management is important in influencing taxpayer satisfaction. The design and research methodology employed to conduct this study is a combination of both quantitative and qualitative type of research in which first hand primary data and secondary data sources are used

3.3 Research Design

The researcher has used a research design suitable for the data collection according to the research question. Descriptive research design which involves clear data collecting, organizing, depicting, tabulation and grouping the variables is used in this study. Descriptive design is based on the conceptual frame work; and the subjective parts are collected using opinion summary liker-data collection or open-ended method of data collection. Therefore, the data collection and information gathering used descriptive and deductive method design for the study.

3.4 Methods of data collections

This research used descriptive and inferential method. The descriptive analysis part has frequency distribution, percentage, mean and standard deviation and the inferential methods contains Correlation analysis, which is a statistical tool for the exploration of relationships between variables upon another as Park and Lord, (2009) defined. And Regression analysis is a technique working on one variable to determine the effect of another variable (Vohra, 2011).

3.5 Data Source

The sources of data are both primary and secondary. The data are collected from the Oromia region Laga-tafoLega-dadhi town administration. The sample for the primary data collection focuses on category "C" taxpayers in the town administration operating

indifferent business sectors. The town has four administration kebeles namely, Laga-Tafo (01), Laga-Dadhi (02), Dambel (03) and Eka Sadden (04). The needed data are gathered from these taxpayers living in these kebeles through questionnaires. Secondary data about the revenue management is gathered from published and unpublished tax documents such as tax regulations, reports, plans, and through the survey of any pertinent documents of the Tax and Revenue Office of the town under consideration from revenue administrators, officials, employees and the different sectors of taxpayers on category “C” related with revenue management and taxpayer’s satisfactions.

3.6 Data Collection Methods

The data collection methods are categorized into three: the first method is the structured and self-administered questionnaires randomly distributed to the selected sample of respondents of Laga-tafo Laga-dadhi category ‘C’ taxpayers. The second data collection method is through in-depth and face to face interviews with at least 10-15 tax administrators. The third method was through the close survey of existing printed tax documents of the tax and revenue office of the town.

3.7 Data Collection Instruments

An important data collection instrument that we use for the primary data collection is the questionnaire. The structured and self-administered questionnaire has four sections, the questionnaires include the non-comparative Likert scaling questions. It is a rating scale which requires the respondents to indicate their degree of agreement or disagreement with each of a series of statements or questions. The survey was measured by 5-point Likert type scale ranging from strongly disagree (1) to strongly agree (5) for service quality dimensions.

3.7.1 Sampling

Given that the target population is very large, it is important to take a sample and make inference about the population. Since the study area contains different taxpayer categories, appropriate sample selection is done to study the relationship between taxpayer satisfaction and revenue management. This does not affect the study as long as a representative sample of respondents is drawn randomly. The researcher has drawn a sample and results are generalized from the drawn sample (Leedy & Ormrod, 2013). A convenience sampling technique is chosen for the survey in this research. Convenience sampling is a non-probability sampling technique where subjects are selected because of their convenient accessibility and proximity to the researcher (Glass, 1984).

Giving equal chance of selection is vital to increase the representativeness of the sample and proportionally sector categories. Thus, to increase the representativeness of the sample, Potential respondents were randomly selected from each stratum. Proportional Stratified sampling technique has been chosen to make sure that all characteristics in the population are reflected in the samples drawn.

3.7.2 Sampling Techniques

The sampling method employed in this research project is random selection of all sample population of category 'C' taxpayers living in Laga-tafo Laga-dadhi town. There are about 3350 taxpayers in the Oromia region Laga-tafo Laga-dadhi town administration category "C" taxpayers. To determine the sample size based on proven formula (Yamane 1967), it applied sample size calculating formula

$$n = \frac{N}{1 + N(e)^2}$$

Where, n=Sample size, N= Total of population N=3350, and e=Sampling error(5%).

3350

1+3350(0.05*0.05), n =357.

Considering the above formula for calculating the sample size the percentage error is 5%, which is labeled by (e =0.05, sample error). Hence the overall data is so large, therefore we use stratified sampling method. Therefore the calculated sampling size is 357 and the sampled respondents are drawn from different sectors (Merchandise (107), Manufacturing (71), and Service (179)).

3.8 Methods of Data Analysis

To analyze the data and address the objectives of the research in this paper the researcher uses, both descriptive statistics and multiple regression statistical methods. For data management and estimations, both SPSS statistical package version 26 and STATA/SE version 11.0 are used. In the data analysis method, the variables from questionnaires are coded, analyzed and presented in table on the nature of data clarity and readability.

All the feedbacks of the respondents that are obtained using structured questionnaires and interviews presented, interpreted and analyzed using tabulation as well as chart creation.

3.9. Regression Model and Specification

The dependent Variable is represented by categorical outcome variables where there is clear natural ranking or order from low to high among the outcomes but the distance between adjacent categories is unknown. When modeling these types of outcomes, numerical values are assigned to the outcomes, but the numerical values are ordinal and reflect only the ranking of the outcomes. As an example, we might assign a dependent variable y the values 1 for "strongly disagree", 2 for "disagree", 3 for "neutral", 4 for "agree" and 5 for "strongly agree". Given the ordinal nature of the outcome variables, the researcher uses an ordered logic model to estimate the impact of revenue management on taxpayer satisfaction.

Consider the generic population regression function given by:

$$y_i^* = \mathbf{x}_i\beta + \varepsilon_i$$

If the latent variable y^* denotes a natural ordering among the possible outcomes, then the observed the dependent variable can assume a data generating process of the following type.

$$y = \begin{cases} 1 = \text{strongly disagree} & \text{if } y_i^* \leq \mu_1 \\ 2 = \text{disagree} & \text{if } \mu_1 < y_i^* \leq \mu_2 \\ 3 = \text{neutral} & \text{if } \mu_2 < y_i^* \leq \mu_3 \\ 4 = \text{agree} & \text{if } \mu_3 < y_i^* \leq \mu_4 \\ 5 = \text{strongly agree} & \text{if } y_i^* > \mu_4 \end{cases}$$

where y_i is the observed scores for the dependent variable that are given numerical values as follows: 1 for "strongly disagree", 2 for "disagree", 3 for "neutral", 4 for "agree" and 5 for "strongly agree"; y_i^* is the unobservable value of the dependent variable, \mathbf{x}_i is a vector of variables that explains the variation in the observed dependent variable; β is a vector of coefficients; μ_i are the threshold parameters to be estimated along with β ; and ε_i is a disturbance term that is assumed normally distributed. These threshold parameters, which usually must be estimated, determine how the values of y_i^* need to get translated into the five possible values of y_i .

The probability that $y_i = 1$ is presented as

$$\begin{aligned} \Pr(y_i = 1) &= \Pr(y_i^* \leq \mu_1) = \Pr(\mathbf{x}_i\beta + \varepsilon_i \leq \mu_1) \\ &= \Pr(\varepsilon_i \leq \mu_1 - \mathbf{x}_i\beta) = \Phi(\mu_1 - \mathbf{x}_i\beta) \end{aligned}$$

The probability that $y_i = 2$ is presented as

$$\begin{aligned}\Pr(y_i = 2) &= \Pr(\mu_1 < y_i^* \leq \mu_2) = \Pr(\mu_1 < \mathbf{x}_i\beta + \varepsilon_i) \times \Pr(\mathbf{x}_i\beta + \varepsilon_i \leq \mu_2) \\ &= \Pr(\varepsilon_i < \mathbf{x}_i\beta - \mu_1) \times \Pr(\varepsilon_i \leq \mu_2 - \mathbf{x}_i\beta) \\ &= \Phi(\mu_2 - \mathbf{x}_i\beta) - \Phi(\mu_1 - \mathbf{x}_i\beta)\end{aligned}$$

The probability that $y_i = 3$ is presented as

$$\begin{aligned}\Pr(y_i = 3) &= \Pr(\mu_2 < y_i^* \leq \mu_3) = \Pr(\mu_2 < \mathbf{x}_i\beta + \varepsilon_i) \times \Pr(\mathbf{x}_i\beta + \varepsilon_i \leq \mu_3) \\ &= \Pr(\varepsilon_i < \mathbf{x}_i\beta - \mu_2) \times \Pr(\varepsilon_i \leq \mu_3 - \mathbf{x}_i\beta) \\ &= \Phi(\mu_3 - \mathbf{x}_i\beta) - \Phi(\mu_2 - \mathbf{x}_i\beta)\end{aligned}$$

The probability that $y_i = 4$ is presented as

$$\begin{aligned}\Pr(y_i = 4) &= \Pr(\mu_3 < y_i^* \leq \mu_4) = \Pr(\mu_3 < \mathbf{x}_i\beta + \varepsilon_i) \times \Pr(\mathbf{x}_i\beta + \varepsilon_i \leq \mu_4) \\ &= \Pr(\varepsilon_i < \mathbf{x}_i\beta - \mu_3) \times \Pr(\varepsilon_i \leq \mu_4 - \mathbf{x}_i\beta) \\ &= \Phi(\mu_4 - \mathbf{x}_i\beta) - \Phi(\mu_3 - \mathbf{x}_i\beta)\end{aligned}$$

The probability that $y_i = 5$ is presented as

$$\begin{aligned}\Pr(y_i = 5) &= \Pr(y_i^* > \mu_4) = \Pr(\mathbf{x}_i\beta + \varepsilon_i > \mu_4) \\ &= \Pr(\varepsilon_i > \mu_4 - \mathbf{x}_i\beta) = 1 - \Phi(\mu_4 - \mathbf{x}_i\beta)\end{aligned}$$

Using these probability outcomes, we can add up all of them to obtain the likelihood function for maximum likelihood estimation. From there, the log-likelihood function for final estimation can be composed as

$$L = \Pr(y_i = 1) \times \Pr(y_i = 2) \times \Pr(y_i = 3) \times \Pr(y_i = 4) \times \Pr(y_i = 5)$$

$$\ln L = \ln[\Pr(y_i = 1)] + \ln[\Pr(y_i = 2)] + \ln[\Pr(y_i = 3)] + \ln[\Pr(y_i = 4)] + \ln[\Pr(y_i = 5)]$$

This gives rise to

$$\begin{aligned}\ln L &= \sum_{y_i=1} \ln[\Phi(\mu_1 - \mathbf{x}_i\beta)] + \sum_{y_i=2} \ln[\Phi(\mu_2 - \mathbf{x}_i\beta) - \Phi(\mu_1 - \mathbf{x}_i\beta)] + \sum_{y_i=3} \ln[\Phi(\mu_3 - \mathbf{x}_i\beta) - \Phi(\mu_2 - \mathbf{x}_i\beta)] \\ &\quad + \sum_{y_i=4} \ln[\Phi(\mu_4 - \mathbf{x}_i\beta) - \Phi(\mu_3 - \mathbf{x}_i\beta)] + \sum_{y_i=5} \ln[1 - \Phi(\mu_4 - \mathbf{x}_i\beta)]\end{aligned}$$

Thus it enables the researcher to determine the priority of each service quality factors for

taxpayers' satisfaction. Therefore, the econometric model employed for this study is ordered logit model which is presented below in a generic form:

$$Y_i = \alpha + \beta_i X_i + \varepsilon_i$$

Where Y_i represents taxpayer i 's satisfaction in of the dimension of revenue management service quality; X_i is the dimensions of revenue management service quality; ε_i is the model error term that could capture all unobserved factors; β_i is the model parameters for each dimensions and α is the constant term. The details of how the log likelihood will be maximized and coefficients are computed are similar to the ones discussed above.

3.10. Study Variables

a. Dependent variable

The dependent variable for this study is taxpayers' satisfaction. Aborampah(2010), satisfaction is a subjective concept and depends on so many factors and varies from person to person. Taxpayers' satisfaction mainly depends on revenue management quality service with respect to tax administration. Satisfaction of the taxpayer is measured using Likert scale of measurement based on the given statement using 1= if the perception of taxpayer is strongly disagree, 2= if the perception of taxpayer is disagree, 3= if the perception of taxpayer is neutral, 4= if the perception of taxpayer is agree, 5= if the perception of taxpayer is strongly agree.

b. Independent variables

In this study the independent variables are service quality of revenue management. Revenue management service quality indicators of are:

1. Physical evidence (tangible), focusing on goods or services, which concern the appearance of physical facilities, equipment, personal, and communication tools (Hesti (2013) cited in Komala (2014)). Tangibility was measured using likert scale of measurement based on the given statement using 1= if the perception of taxpayer is strongly disagree, 2= if the perception of taxpayer is disagree, 3= if the perception of taxpayer is neutral, 4= if the perception of taxpayer is agree, 5= if the perception of taxpayer is strongly agree.
2. Reliability (reliability), namely the fulfillment of immediate and satisfactory service. Reliability includes the ability to deliver services accurately as promised (Hesti (2013)

cited in Komala (2014)). Reliability was measured using likert scale of measurement based on the given statement using 1= if the perception of taxpayer is strongly disagree, 2= if the perception of taxpayer is disagree, 3= if the perception of taxpayer is neutral, 4= if the perception of taxpayer is agree, 5= if the perception of taxpayer is strongly agree.

3. Responsiveness (responsiveness), is the ability of employees to help consumers provide services quickly in accordance with the desired by consumers. Activity of service delivery of quickly and responsiveness to customer (Hesti (2013) cited in Komala (2014)). Responsiveness was measured using likert scale of measurement based on the given statement using 1= if the perception of taxpayer is strongly disagree, 2= if the perception of taxpayer is disagree, 3= if the perception of taxpayer is neutral, 4= if the perception of taxpayer is agree, 5= if the perception of taxpayer is strongly agree.
4. Assurance (assurance), i.e. knowledge and ability of employees to serve friendly and polite. Assurance was measured using likert scale of measurement based on the given statement using 1= if the perception of taxpayer is strongly disagree, 2= if the perception of taxpayer is disagree, 3= if the perception of taxpayer is neutral, 4= if the perception of taxpayer is agree, 5= if the perception of taxpayer is strongly agree.
5. Empathy (empathy), i.e. attention given employees individually to consumers and understand the needs of consumers. Empathy was measured using likert scale of measurement based on the given statement using 1= if the perception of taxpayer is strongly disagree, 2= if the perception of taxpayer is disagree, 3= if the perception of taxpayer is neutral, 4= if the perception of taxpayer is agree, 5= if the perception of taxpayer is strongly agree.

Table 3.1. Summary of Variables Measurement and expected effect with dependent variables

Variables	Description of variables	Measurement	Expected
Tangibility	tax service equipment, visually attractive offices, equipment and facilities of the office, understandable compliance forms	Ordinal/likert scale	+
Reliability	Service provided (time and adequacy), solution for the customers complain properly, records keeping accurately in free error free fashion, revenue collection procedures and system are simple and transparent	Ordinal/likert scale	+
Responsiveness	willing to help customers, response to customers request on time	Ordinal/likert scale	+
Assurance	make customers feel comfortable, instilling customer confidence, consistently polite and honest	Ordinal/likert scale	+
Empathy of revenue management	convenience of working hours, interest at heart for customers	Ordinal/likert scale	+

Source: own construction based on literature review, 2021

3.11 Reliability and Validity

Field (2009) explained reliability as a means that measure (in this case questionnaire) should constantly reflect the construct that it is measuring". "Reliability refers to the consistency and stability of findings that enables findings to be replicated" (Burns, 2008). Cronbach's Alpha is very useful in developing attitude scales and questionnaires as the alpha level (or reliability) indicates if the items are measuring the same construct. Items that are not

measuring what the rest are can be identified and deleted” (Burns, 2008). Cronbach’s Alpha Should over 0.70 to produce a reliable scale and any scale less than this alpha coefficient should be eliminated according to Burns (2008). Therefore, the result of this study shows the survey instrument was reliable and valid based on the Cronbach's Alpha with 0.915 this greater than 0.70.

Table3.2. Reliability Statistics

Cronbach's Alpha	N of Items
0.915	49

Source: own survey result, 2021

3.12 Ethical Consideration

In the process of conducting any research, a researcher has the responsibility to be ethical to his/her profession as well as to the participants of their study. In order to ensure smooth accomplishment of the research objectives, researchers have to adhere to the various ethical principles. Therefore, to ensure the safe conduct of the study as indicated above, letters of support and cooperation was secured from the university and submitted to the study district administration. The researcher has assured the participants that the information to be gathered would never be used for other purposes rather than for the particular study. The researcher has secured permission from all participants and maintain consensus with them. Addressing all the above mentioned ethical concerns helped the researcher to establish friendly relationships with all participants, which in turn, will contribute to eliciting credible, necessary and adequate data from the participants.

CHAPTER FOUR

Data presentation and analysis

This chapter presents results and discussion of findings. It has three main subsections, the first subsection deals with the respondents' profile, the second subsection tells about descriptive summary of revenue management components and taxpayer satisfaction, the third subsection deals with ordered logit model analysis of study variables.

4.1 Introduction

This chapter presents the data analysis, interpretation of results and discussion of the research findings. Based on the plan of research design, methodologies, and tools applied the data was collected from 357 respondents. The data analysis was made using statistical package for social science (SPSS v. 26). In order to make the collected data suitable for analysis, all distributed and collected questionnaire were screened for completeness. To up hold the quality of the finding, the researcher distributed in local language of Afan Oromo translated questionnaire to the selected Category 'C' Taxpayers. As a result, few incomplete questionnaires were received. The number of these incomplete questionnaires was 17 and was removed from the survey data as error. To substitute these questionnaires, additional questionnaire were distributed to make complete the sample size of 357. Data analysis, discussion and interpretation of the results are presented in the following subheadings: presentation of demographic data and frequency of respondents, analysis of mean, analysis of correlation and regression coefficient.

4.2 Demographic Data Presentation and Analysis

Observing the demographic trend or characteristics of sample population before starting the data analysis is useful to make the analysis more meaningful for the reader. This part of the questionnaire requested limited amount of information related to personal and demographic status of the respondent.

The purpose of demographic analysis in this research is to describe the characteristics of the sample such as the number of respondents, range of age, proportion of males and females in the sample, educational status, experience and their business type. Accordingly, these variables were summarized and described in table 4.2 below.

Table 4.2 Demographic profile of respondents

Item	Category	Frequency	Percent
Sex	Male	260	72.9
	Female	97	27.1
Age	21-30	212	59.2
	31-40	85	24.0
	41-50	25	7.0
	Above 51	35	9.8
Educational status	Below grade 10	15	4.2
	Grade10/12 complete	43	12.0
	Diploma	53	14.8
	BSc. /BA Degree	192	53.9
	Others	54	15.1
Experience in business	Two year and less	176	49.4
	3-5 years	57	15.9
	6-10 years	65	18.2
	More than 10 years	59	16.5

Source: own survey result, 2021

In terms of age, table 4.1 shows that the age group 21-30 took the highest percent with 59.2% of the respondents and the age group of 31-40 respondents followed the previous group with 24.0%. These two groups compose more than 80% of the respondents. It implies that majority of taxpayers who deal with category ‘C’ Taxpayers are young and middle age. About 7% of adult respondents constitute 41-50 and the remaining age group of respondent is old age of more than 50. This shows that most of taxpayers are at productive age stage, this might support for the reliable evidence about this study.

With regard to gender of the respondents, the table shows that most of the respondents were male (male 72.9%, female 27.1%). Educational backgrounds of the respondent were also assessed. Out of the total respondents, the highest composition was that of BA/BSc degree holder which accounts for 53.9%. With 14.8% Diploma holder follows BA/BSc holders. The number of respondents below grade10 constitutes 4.2%. The numbers of high school complete were 12.0%. The educational status shows us that majority of category “C” taxpayers are educated and completed higher education. The respondents were also assessed with regard to their work experiences. Out of the total respondents, the highest composition was that of respondents of 2 year and below experience with 49.4%. With 18.2%, experience of 6-10 years follows. The number of taxpayers with experience of 10 year and more were 16.5%. The numbers of taxpayers

with experience of 3-5 years are few with 15.9%. The experience of taxpayers shows us that majority of category “C” Taxpayers have 2 year and below experience.

4.3 Descriptive Measure of Quality of Revenue Management

4.3.1 Tangibility of Revenue management

Table 4.3.1 below shows that from tangibility service quality the office has modern tax service equipment. 3.4% of respondent strongly disagree, 12.8% of respondent disagree, 22.9% of respondent neither agree nor disagree, 40.5% of respondent agree, 20.4% of respondent strongly agree on the statement with mean of 3.62 and standard deviation of 1.051. The finding reveals that revenue management regarding quality of tax service equipment have no problem in the authority, since the mean score on the statement based on the likert was over the median of the scale. Regarding Revenue management provision of visually attractive offices, equipment and facilities of the office, 4.2% of respondent strongly disagree, 15.6% of respondent disagree, 19.3% of respondent neither agree nor disagree, 36.6% of respondent agree, 24.3% of respondent strongly agree on the statement with mean of 3.61 and standard deviation of 1.136. The finding implies that revenue management regarding provision of visually offices, equipment and facilities of the office were enough attractive in the authority.

In response to a question regarding the office employees with neat and professional appearance, 1.4% of respondent strongly disagree, 26.5% of respondent disagree, 19.3% of respondent neither agree nor disagree, 28.2% of respondent agree and 24.6% of respondent strongly agree on the statement with mean 3.48 and standard deviation of 1.166. The finding indicates that revenue management regarding the office employees with neat and professional appearance at enough standards since the mean score of the statement according to likert scale was lies above the median scale. In response to a question regarding the availability of visually appealing materials with the type of services in the office provided, 0.9% of respondent strongly disagree, 24.6% of respondent disagree, 19.6% of respondent neither agree nor disagree, 36.3% of respondent agree and 18.7% of respondent strongly agree on the statement with mean of 3.48 and standard deviation of 1.075. Regarding the availability of Understandable tax compliance forms in the office, 0.9% of respondents strongly disagree, 24.6% of respondent disagree, 19.6% of respondent neither agree nor disagree, 36.3% of respondent agree and 18.7% of respondent strongly agree on the statement with mean of 3.31

and standard deviation of 1.067. The finding indicates that revenue management regarding tax compliance standard to understand was at medium level in the authority.

Table 4.3.1 Descriptive summary of tangibility of revenue management

Statement		Strongly disagree	Disagree	Neutral	Agree	Strongly agree	Mean	Sd.
The office has modern tax service equipment	Fr.	12	46	82	145	73	3.62	1.051
	Pr.	3.4	12.8	22.9	40.5	20.4		
Provision of visually attractive offices, equipment and facilities of the office	Fr.	15	56	69	131	87	3.61	1.136
	Pr.	4.2	15.6	19.3	36.6	24.3		
The office employees with neat and professional appearance	Fr.	5	95	69	101	88	3.48	1.166
	Pr.	1.4	26.5	19.3	28.2	24.6		
The office has visually appealing materials with the type of services provided	Fr.	3	88	70	130	67	3.48	1.075
	Pr.	0.9	24.6	19.6	36.3	18.7		
The office has Understandable tax compliance forms	Fr.	3	88	70	130	67	3.31	1.067
	Pr.	0.9	24.6	19.6	36.3	18.7		

Source: own survey result, 2021

4.3.2 Reliability of Revenue Management

The table 4.3.2 below shows responses of the respondents on the reliability quality of revenue management that the office provides servicetimely and adequately. 3.4% of respondent strongly disagree on the statement, 22.1% of respondent disagree on the statement, 26.3% of respondents neither agree nor disagree on the statement, 32.4% of respondent agree on the statement and 15.9% of respondents strongly agree on the statement with mean and standard deviations of 3.35 and 1.092 respectively. The finding indicates that in revenue branch, Revenue management of the office with regard to solving the customers complains properly, 2% of respondent strongly disagree, 20.1% of respondents disagree, 31.6% of respondent neither agree nor disagree, 31.3% of respondent agree, 15.1% of respondent strongly agree on the statement with mean and standard deviation of 3.37 and 1.029 respectively. In response to a question on revenue management of the office with regard to keeping their records accurately in free error and free fashion, 0.8% of respondent strongly disagree on the statement, 17.6% of respondent disagree, 30.2% of respondent

neither agree nor disagree, 33.5% of respondent agree and 17.9% of respondent strongly agree on the statement with mean and standard deviation of 3.50 and 1.006 respectively. In response to a question regarding revenue management of the office to provide their services at the time they promise to do so, 1.7% of respondent strongly disagree, 26.3% of respondent disagree, 26.5% of respondent neither agree nor disagree, 33.2% of respondent agree and 12.3% of respondent strongly agree on the statement with mean and standard deviation 3.28 and 1.038. Responding to a question ‘The office tax collection procedures and system are simple and transparent’, 2% of respondent strongly disagree on the statement, 4.2% of respondent disagree, 34.4 of respondent neither agree nor disagree, 39.4% of respondent agree on the statement and 20.1% of respondent strongly agree on the statement with mean and standard deviation of 3.72 and 0.900 respectively. The finding implies that the office tax collection procedures and system was simple and transparent, since the mean score on the statement indicates that it’s over the median of likert scale, this implies that taxpayer have no problem on the specific stated quality service indicator.

Table4.3.2. Reliability of revenue management

Statement		Strongly disagree	Disagree	Neutral	Agree	Strongly agree	Mean	Sd.
The office provide service (timely and adequately)	Fr.	12	79	94	116	57	3.35	1.092
	Pr.	3.4	22.1	26.3	32.4	15.9		
The office solve the customers complain properly	Fr.	7	72	113	112	54	3.37	1.029
	Pr.	2	20.1	31.6	31.3	15.1		
The office keep their records accurately in free error free fashion	Fr.	3	63	108	120	64	3.50	1.006
	Pr.	0.8	17.6	30.2	33.5	17.9		
The office provide their services at the time they promise to do so	Fr.	6	94	95	119	44	3.28	1.038
	Pr.	1.7	26.3	26.5	33.2	12.3		
The office tax collection procedures and system are simple and transparent	Fr.	7	15	123	141	72	3.72	.900
	Pr.	2	4.2	34.4	39.4	20.1		

Source: own survey result, 2021

4.3.3 Responsiveness of Revenue Management

The table 4.3.3 below shows that the revenue management quality service in terms of responsiveness. In response to a question as to whether the office informs their customer exactly when service will be performed, 0.6% of respondent strongly disagree on the statement, 18.2% of respondent disagree on the statement, 26.5% of respondent neither agree nor disagree on the statement, 33.8% of respondent agree on the statement, 20.9% of respondent strongly agree on the statement on the statements with mean and standard deviation of 3.56 and 1.032 respectively.

Responding to a question as to whether the office assess tax rate without making a difference among taxpayers, 0.8% of respondent strongly disagree on the statement, 22.3% of respondent disagree on the statement, 26.8% of respondent neither agree nor disagree on the statement, 36.3% of respondent agree on the statement, 13.7% of respondent strongly agree on the statements with mean and standard deviation of 3.40 and 1.007 respectively. In response to a question as to whether the office employees are always willing to help customers, 4.2% of respondent strongly disagree on the statement, 28.8% of respondent disagree on the statement, 21.5% of respondent neither agree nor disagree on the statement, 39.4% of respondent strongly agree on the statement, 6.1% of respondent strongly agree on the statements with mean and standard deviation of 3.15 and 1.038 respectively, In a response to a question as to whether the office employees always respond to customers request on time, only 3.6% of respondent strongly disagree on the statement, 22.1% of respondent disagree on the statement, 23.2% of respondent neither agree nor disagree on the statement, 39.1% of respondent agree on the statement and 12% of respondent strongly agree on the statement with mean and standard deviation of 3.34 and 1.061 respectively.

Responding to whether the office has taxpayers educating, awareness creation and consultation sessions, 3.6% of respondent strongly disagree on the statement, 19% of respondent strongly agree on the statement, 25.7% of respondent neither agree nor disagree on the statement, 35.2% of respondent agree on the statement, 16.5% of respondent strongly agree on the statements with mean and standard deviation of 3.43 and 1.077 respectively. Finally, in response to whether the office levies tax according to customers' ability to pay, 0.6% of respondent strongly disagree on the statement, 1.4% of respondent agree on the statement, 30.2% of respondent neither agree nor disagree on the statement on the statement, 53.4% of respondent agree on the statement and 14.5% of respondent strongly agree on the statements with mean and standard deviation of 3.80 and 0.717 respectively. And the finding indicates that the taxpayers have got quality service. Regarding the office's

assessment of tax rate without making a difference among taxpayers, the office employees always respond to customers request on time, the office has taxpayers educating, awareness creation and consultation sessions and the office Levis tax according to customers' ability to pay.

Table 4.3.3 Responsiveness of revenue management

Statement		Strongly disagree	Disagree	Neutral	Agree	Strongly agree	Mean	Sd.
The office inform their customer exactly when service will be performed	Fr.	2	65	95	121	75	3.56	1.032
	Per.	0.6	18.2	26.5	33.8	20.9		
The office assess tax rate without making a difference among taxpayers	Fr.	3.0	80.0	96.0	130.0	49.0	3.40	1.007
	Per.	0.8	22.3	26.8	36.3	13.7		
The office employees always willing to help customers	Fr.	15	103	77	141	22	3.15	1.038
	Per.	4.2	28.8	21.5	39.4	6.1		
The office employees always respond to customers request on time	Fr.	13	79	83	140	43	3.34	1.061
	Per.	3.6	22.1	23.2	39.1	12		
The office has taxpayers educating, awareness creation and consultation sessions	Fr.	13	68	92	126	59	3.43	1.077
	Per.	3.6	19	25.7	35.2	16.5		
The office levy tax according to customers' ability to pay	Fr.	2	5	108	191	52	3.80	.717
	Per.	0.6	1.4	30.2	53.4	14.5		

Source: own survey result, 2021

4.3.4 Assurance of Revenue Management

The table 4.3.4 below shows the descriptive summary statistics of revenue management regarding the assurance service quality. As a result, revenue management with regard to hiring employees who make customers feel comfortable, 0.3% of respondent strongly disagree, 4.5% of respondent disagree, 29.9% of respondent neither agree nor disagree, 47.8% of respondent agree on the statement and 17.6% of respondent strongly agree on the statement with mean standard deviation of 3.78 and 0.795 respectively.

The finding implies that most of taxpayers have no problem with regard to employees' approach of the office. In response to a question as to whether the office has knowledgeable employees that answer customers' questions, 2.2% of respondent disagree on the statement, 24.6% of respondent neither agree nor disagree on the statement, 46.9% of respondent agree on the statement and 26.3% of respondent strongly agree on the statement with mean and standard deviation of 3.97 and 0.774 respectively. Responding to a statement as to whether the office employs workers who instill customer confidence, 2% of respondent disagree on the statement, 23.5% of respondent neither agree nor disagree on the statement, 53.1% of respondent agree on the statement and 21.5% of respondent strongly agree on the statement with mean and standard deviation of 3.94 and 0.725 respectively. Regarding revenue management in terms of honesty and consistence politeness of the office employees, 6.4% of respondent disagree on the statement, 23.5% of respondent neither agree nor disagree, 52.5% of respondent agree on the statement and 17.65 of respondent strongly agree on the statement with mean and standard deviation of 3.81 and 0.796 respectively. The finding indicates that the office employs qualified staff who treat customers with polite and honesty consistently.

Table4.3.4. Descriptive summary of quality service of Assurance of revenue management

Statement		Strongly disagree	Disagree	Neutral	Agree	Strongly agree	Mean	Sd.
The office employs workers who make customers feel comfortable	Fr.	1	16	107	171	63	3.78	.795
	Per.	0.3	4.5	29.9	47.8	17.6		
The office has knowledgeable employees that answer customers questions	Fr.	0.0	8	88	168	94	3.97	.774
	Per.	0.0	2.2	24.6	46.9	26.3		
The office employs who instill customer confidence	Fr.	0	7	84	190	77	3.94	.725
	Per.	0	2	23.5	53.1	21.5		
The office employs who are consistently polite and honest	Fr.	0	23	84	188	63	3.81	.796
	Per.	0	6.4	23.5	52.5	17.6		

Source: own survey result, 2021

4.3.5 Empathy of Revenue Management

Finally, table 4.3.5 below shows the descriptive summary on the revenue management regarding empathy quality service. Responding to whether the officers understand the tax payers needs and gives special attention to them, 0.8% of respondents strongly disagree on the statement, 17.9% of respondent disagree, 31.3% of respondent neither agree nor disagree on the statement, 39.4% of respondent agree on the statement, 10.6% of respondent strongly agree on the statement with mean and standard deviation of 3.41 and 0.930 respectively.

Regarding the working hour's convenience, 1.4% of respondent strongly disagree on the statement, 17% of respondent disagree on the statement, 28.2% of respondent neither agree nor disagree on the statement, 36.3 of respondent agree on the statement, and 17% of respondent strongly agree on the statement with mean and standard deviation of 3.51 and 1.009 respectively. Regarding a question as to whether the office has customers' best interest at heart, 0.8% of respondent strongly disagree on the statement, 20.7% of respondent disagree on the statement, 32.1% of respondent neither agree nor disagree on the statement, 39.1% of respondent agree on the statement, 7.2% of respondent strongly agree on the statement with mean of 3.32 and standard deviation of 0.935. Regarding whether the office employees know and understand customers' needs, 2.2% of respondent disagree on the statement, 22.9% of respondent neither agree nor disagree on the statement, 53.6% of respondents agree on the statement and 21.2% of respondents strongly agree on the statement with mean and standard deviation of 3.94 and 0.727 respectively. With regard to whether the office's working hours are convenient to all customers, 19% of respondents disagree on the statement, 48% of respondent neither agree nor disagree on the statement, 30.7% of respondent agree on the statement and 2.2% of respondents strongly agree on the statement with mean and standard deviation of 2.16 and 0.750 respectively.

The finding reveals that revenue management regarding the empathy in the office, the officers understand the taxpayers' needs and gives them special attention; the working hours are convenient; the office has customers' best interest at heart; the office employees knowledge and understanding of customers' needs were satisfactory but needs attention to improve the office working hours that will be convenient to all of the customers.

4.3.5.1 Descriptive summary of revenue management regarding empathy

Statement		Strongly disagree	Disagree	Neutral	Agree	Strongly agree	Mean	Sd.
The officers understand the tax payers needs and gives you special attention	Fr.	3	64	112	141	38	3.41	.930
	Pr.	0.8	17.9	31.3	39.4	10.6		
The revenue management working hours is convenient	Fr.	5	61	101	130	61	3.51	1.009
	Pr.	1.4	17	28.2	36.3	17		
The office has customers' best interest at heart	Fr.	3	74	115	140	28	3.32	.935
	Pr.	0.8	20.7	32.1	39.1	7.2		
The office employees know and understand customers' needs	Fr.	0	8	82	192	76	3.94	.727
	Pr.	0	2.2	22.9	53.6	21.2		
The office working hours are convenient to all of the customers	Fr.	0	68	172	110	8	2.16	.750
	Pr.	0	19	48	30.7	2.2		

Source: own survey result 2021

4.4 Descriptive Summary of Taxpayers' Satisfaction

In this subsection, the descriptive summary of taxpayers regarding revenue management quality service was analyzed.

In response to whether the taxpayer is satisfied on the way of the tax administration handling system of the customers' appeal, 3.4% of respondent disagree on the statement, 39.4% of respondent neither agree nor disagree on the statement, 49.2% of respondent agree on the statement, 8.1% of respondent strongly agree on the statement with mean and standard deviation of 3.63 and 0.689 respectively. The finding of the study implies that taxpayers were satisfied on the way of the tax administration handling system of the customers' appeals since the mean value on the statement based on the likert scale was over the median.

Regarding whether the taxpayer is satisfied with the length of the process from the first notice through revolution, 2.2% of respondents disagree on the statement, 21.8% of respondents neither agree nor disagree on the statement, 53.6% of respondents agree on the statement, 22.3% of respondents strongly agree on the statement with mean and standard deviation of 3.96 and 0.728 respectively. The finding implies that taxpayers are perfectly satisfied on the length of the process from the first notice through revolution since the

statistical value of mean score lies above the medium scale and it approaches to the highest likert scale level. Regarding whether the taxpayer is satisfied the way the tax administration communicated with them throughout the examination, 2.2% of respondents disagree on the statement, 31.3% of respondents neither agree nor disagree on the statement, 48.6 of respondents agree on the statement, 17.9% of respondents strongly agree on the statement with mean and standard deviation of 3.82 and 0.742 respectively.

The finding implies that taxpayer was satisfied on the way the tax administration communicated with them throughout the examination since the mean score on the likert measure lies above median.

As to the overall satisfaction of the taxpayers' with the Laga-tafoLaga-dadhi Town Tax administration service, 2.2% of respondents disagree on the statement, 40.2% of respondents neither agree nor disagree on the statement, 48.9% of respondents agree on the statement and 8.7% of respondents strongly disagree on the statement with mean and standard deviation of 3.64and 0.671 respectively. This reveals that taxpayers were satisfied on the sub branch tax administration service.

Table 4.4: Descriptive measure of Taxpayers' satisfaction

Statement		Strongly disagree	Disagree	Neutral	Agree	Strongly agree	Mean	Sd.
The taxpayer is satisfied on the way of the tax administration handling system of the customers' appeal	Fr.	0	12	141	176	29	3.63	.689
	Pr.	0.0	3.4	39.4	49.2	8.1		
The taxpayer is satisfied with the length of the process from the first notice through revolution	Fr.	0	8	78	192	80	3.96	.728
	Pr.	0.0	2.2	21.8	53.6	22.3		
The taxpayer is satisfied the way the tax administration communicated with them throughout the examination	Fr.	0	8	112	174	64	3.82	.742
	Pr.	0.0	2.2	31.3	48.6	17.9		
Overall satisfaction you are satisfied with the Laga-tafo city tax administration service	Fr.	0	8	144	175	31	3.64	.671
	Pr.	0.0	2.2	40.2	48.9	8.7		

Source: own survey result, 2021

4.5 Cumulative Mean Score of Revenue Management Service Quality

Table 4.5. grand mean score statistics

Revenue management quality service indicators	Mean	Std. Deviation
Tangibility	3.4990	.88399
Reliability	3.4453	.79174
Responsiveness	3.4444	.73703
Assurance	3.8764	.55406
Empathy	3.2682	.51121

Source: own survey result, 2021

As shown in the table above, the grand mean score of revenue management service quality indicators shows that the comparison of their mean, the mean score of the assurance was found to be 3.876 and empathy was found least mean score compared relatively to other quality service indicators. The rest were found almost similar level. The finding indicates that the highest mean score implies that the revenue management regarding assurance is potentially done to give sustainable quality service to taxpayers and the least mean score tells that revenue management quality service regarding empathy needs to improve and the recent service at medium level. Similarly the revenue management regarding tangibility, reliability and responsiveness shows it's at median but relatively more satisfactory than that of empathy.

4.6 Regression Analysis: Results and Discussion

Based on the purpose and plan of the study, this subsection attempts to estimate the impact of influential revenue management service quality indicators on the taxpayer satisfaction.

4.6.1 Assumption of Ordered Logistic Regression

When we analyze data using ordinal regression, part of the process involves checking to make sure that the data can actually be analyzed using ordinal regression. Because it is only appropriate to use ordinal regression if data passes three assumptions that are required for ordinal regression to give valid results.

Assumption #1: dependent variable should be measured at the ordinal level. Therefore this study fits this assumption of the model since Likert scale was employed (i.e. 5-point scale from "strongly disagree" through to "strongly agree"),

Assumption #2: One or more independent variables that is continuous, ordinal or categorical (including dichotomous variables). However, ordinal independent variables must be treated as being either continuous or categorical. There for the model fitsthis assumption since the study employed 4 categorical independent variables.

Assumption #3: There is no multicollinearity.Multicollinearity occurs when you have two or more independent variables that are highly correlated with each other. This leads to problems with understanding which variable contributes to the explanation of the dependent variable and technical issues in calculating an ordinal regression. Determining whether there is multicollinearity is an important step in ordinal regression. Unfortunately, testing for this assumption based on the result of VIF(variance inflation factors) and tolerance(O’Connell, 2006). Multicollinearity exists when Tolerance is below 0.1 and VIF (variance inflation factors) is greater than 10 or an average much greater than 1. As the survey result shows, in table 4.4 below, the highest VIF result was 3.126and lowest tolerance level was 0.320which implies that VIF below 10 and tolerance level greater than 0.1. The result indicates that there was no strong multicollinearityproblem. No strong correlation among the explanatory variables and this means the association within the independent variables should be small enough so that it easy to see the partial effect of each independent Variable on the dependent Variable.

Table4.6.1. Multicollinerity test statistics

Collinearity Statistics		
Variables	Tolerance	VIF
Tangibility	0.347	2.878
Reliability	0.320	3.126
Responsiveness	0.344	2.906
Assurance	0.835	1.197
Empathy	0.485	2.061

Source own survey result, 2021

4.6.2 The effect of Revenue Management on Taxpayers’ Satisfaction

In this subsection, we estimate the effect of each revenue management service quality on taxpayer’s satisfaction. The study uses the ordered logistic regression. As a result, the significant factors were identified in table 4.6.2 below. The output below shows that the first has shown the iteration log. At iteration 0, the Software fits a null model, i.e. the intercept-only model. It then moves on to fit the full model and stops the iteration process once the difference in log likelihood between successive iterations becomes sufficiently small. The

final log likelihood -246.93571 is displayed again. It can be used in comparison with nested models. Also at the top of the output, all 357 observations in the data set were used in the analysis. The likelihood ratio chi-square of 17.63 with a p-value of 0.0034 tells us that the model as a whole is statistically significant, as compared to the null model with no predictors. The pseudo-R-squared of 0.0345 is also given. In the table we see the coefficients, their standard errors, z-tests and their associated p-values, and the 95% confidence interval of the coefficients.

Three of revenue management service quality indicators: - Reliability, Responsiveness and Empathy are found to be statistically significant; while Tangibility and assurance of revenue management found to be statistically insignificant at 5% significance level. So for Reliability, it indicates that for a one unit increase in Reliability of revenue management, results a 0.406 increase in the log-odds of being in taxpayer satisfaction, given all of the other variables in the model are held constant. For a one unit increase in Responsiveness of revenue management, results a 0.616 increase in the log-odds of being in a taxpayer satisfaction, given that all of the other variables in the model are held constant. And a one unit increase in Empathy of revenue management, leads to a 0.509 increase in the log-odds of being in taxpayer satisfaction, given that all of the other variables in the model are held constant

Table 4.6.2. ordered logistic regression

Iteration0	Log likelihood	-255.75108	Number of observation	357	
Iteration1	Log likelihood	-247.13051	LR chi2(5)	17.63	
Iteration2	Log likelihood	-246.93596	Prob> chi2	0.0034	
Iteration3	Log likelihood	-246.93571	Pseudo R2	0.0345	
Iteration4	Log likelihood	-246.93571	Log likelihood	-246.93571	
	Coef.	Std. Err.	Z	P>z	95% Conf. Interval
Tangibility	0.1111593	0.2008409	0.55	0.580	-0.2824817 0.5048003
Reliability	0.4061656	0.2047539	1.98	0.047**	0.0048553 0.807476
Responsiveness	0.6158971	0.2165406	2.84	0.004*	0.1914853 1.040309
Assurance	0.2659766	0.1949047	1.36	0.172	-0.1160296 0.6479828
Empathy	0.5097999	0.2553763	2.00	0.046**	0.0092716 1.010328
/cut1	3.914475	1.393695			1.182884 6.646067
/cut2	8.21579	1.477732			5.319488 11.11209

Source: own survey result, 2021

4.6.3 Proportional Odds Ratios

The output below is the coefficient parameters converted to proportional odds ratios and their 95% confidence intervals. The three statistically significant variables have proportional odds ratios as reliability of revenue management (1.501), responsiveness of revenue management (1.851) and empathy of revenue management (1.664). The finding indicates that for a one unit increase in reliability of revenue management, the odds of moving from smallest likert scale to the next scale are 1.501 times greater, given that the other variables in the model are held constant, for a one unit increase in responsiveness of revenue management, the odds of moving forward with in (1-5) one step from the disagree to agree are (1.851) times greater, given that the other variables in the model are held constant and for a one unit increase in empathy of revenue management, the odds of moving from disagree to agree are 1.664 times greater, given that the other variables in the model are held constant.

Table 4.6.3 Proportional odds ratios

Taxpayers satisfaction	Odds Ratio	Std. Err.	z	P>z	[95% Conf.Interval]	
Tangibility	1.117573	0.2244544	0.55	0.580	0.7539105	1.656655
Reliability	1.501051	0.3073461	1.98	0.047	1.004867	2.242241
Responsiveness	1.851317	0.4008852	2.84	0.004	1.211047	2.830091
Assurance	1.304705	0.2542931	1.36	0.172	.8904488	1.911681
Empathy	1.664958	0.4251907	2.00	0.046	1.009315	2.746502
/cut1	3.914475	1.393695			1.182884	6.646067
/cut2	8.21579	1.477732			5.319488	11.11209

Source own survey result, 2021

CHAPTER FIVE

DISCUSSION

In order to show the effects of revenue management service quality on taxpayers satisfaction more briefly based on the study result, detailed discussions of findings implying each revenue management service quality measures (indicators) is presented in the next subsections.

5.1. Effect of Revenue management service quality

5.1.1. Tangibility of revenue management: -

According to ordered logit regression result shown above in table 4.6.3 the coefficient of Tangibility variable was positive and insignificant at 5% significance level, contrary to the expectation. This implies that there is no significant relationship between tangibility of revenue management and taxpayer satisfaction at 5% significance level. This does not mean that tangibility of revenue management not needed in the tax authority; rather it is important to build up the attitude of taxpayers and to become effective in revenue collection through applying tangible material/equipment. The finding consists with the finding of Ambachew T. (2011). This indicates that tangibility of revenue management has no significant effect on taxpayer's satisfaction.

5.1.2. Reliability of revenue management:-

The results of ordered logistic regression estimation in table 4.6.3 showed that the Reliability of revenue management service is found to have a positive and significant relationship with the dependent variable of taxpayer satisfaction. Moreover, reliability of revenue management variable was found to have significant influence on the authority's taxpayer satisfaction, implying that the expectation was true. The finding consists with findings of Ambachew (2011), Ali (2016) and Rahel (2017). This implies that as the reliability of revenue management improves, it will result in raising the taxpayer satisfaction.

5.1.3. Responsiveness of revenue management:-

As stated in the empirical and theoretical review, responsiveness of revenue management represented with service delivery given by revenue management to improve taxpayer service. Moreover, the ordered logistic regression result as presented in table 4.6.2 showed, it is consistence with expectation that Responsiveness of revenue management found to have

a significant positive effect on the taxpayer satisfaction. The positive coefficient of Responsiveness of revenue management with p-value of 0.004 was significant to influence taxpayer satisfaction at 1% level of significance. The result consists with findings of Ambachew (2011), Ali (2016) and Rahel(2017). This implies that as the reliability of responsiveness management improves, it will result in raising the taxpayer satisfaction.

5.1.4. Empathy of revenue management:-

Based on previous theoretical and empirical works, as empathy of revenue management improves, the taxpayer's satisfaction was expected to be improved. Empathy of revenue management service was one of the most significant factors to taxpayers' satisfaction. The finding consists with the finding of Ambachew (2011) which indicates that empathy of revenue management has no significant effect on taxpayer satisfaction.

5.1.5. Assurance of revenue management:-

According to ordered logit regression result shown above in table 4.6.2, the coefficient of Assurance of revenue management was positive and insignificant at 5% significance level, opposite of the expectation. This implies that there is no significant relationship between Assurance of revenue management and taxpayer satisfaction at 5% significance level. This does not mean that Assurance of revenue management not needed in the tax authority; rather it is important to build up the attitude of taxpayer and become effective in revenue collection through applying tangible material/equipment. The finding contradicts with findings of Ambachew(2011), Ali (2016) and Rahel (2017). This implies that the assurance of responsiveness management has no significant effect on the taxpayer satisfaction.

CHAPTER SIX

SUMMARY OF FINDINGS, CONCLUSIONS AND RECOMMENDATION

The previous chapter presented the results and analysis of the study. This chapter deals with the conclusions and recommendations in line with the findings of the study. The chapter consists of three sections. The first section deals with Summary of findings while the second section presents conclusions and the final section is some recommendations suggested as a solution to problems that have been identified in the study.

6.1. Summary of Findings

The study reaches that revenue management system had a general positive influence on satisfaction of business taxpayers. The key message arising out of this study is the need to organize revenue management system systematically and logically and further simplify the tax policies and procedures and thereby moderate complexity to raise the satisfaction of business taxpayer. The study implies that revenue Authority and other stakeholders should take workable measures to improve customs service quality to satisfy taxpayers by focusing on the dimensions identified as more important: Tangibility, reliability, responsiveness, assurance and empathy in this study.

6.2. Conclusion

The aim of this study is to investigate the effect of revenue management on the taxpayers' satisfaction in Laga-tafo Laga-dadhi Revenue Authority using statistical analysis, both descriptive and inferential statistics. The research instrument was questionnaires measured with the help of five-point Likert scale using SPSS ranging from strongly disagree to strongly agree. The researcher distributed each questionnaire by himself to Category 'C' Taxpayers in the Laga-tafo Laga-dadhi revenue authority by clarifying the objective very well. Few incomplete questionnaires were received back. The number of these incomplete questionnaires was 17 and removed from the survey data as error. To substitute these questionnaires, additional questionnaires were distributed to make complete sample size of 357.

In chapter four, the data instruments (questionnaires and document analysis) have been analyzed and interpreted in relation with the statement of the problem and objective of the study. Research instrument has a useful diagnostic role in assessing and evaluating effect of

revenue management service in Laga-tafoLaga-dadhi town, enabling the authority to identify where improvements are needed from the taxpayers' view point. From the statistical results, it was confirmed that the revenue management service and taxpayer satisfaction scale were reliable and valid instruments for measuring the relationship in this study and also the research result gives several managerial implications.

Regarding descriptive analysis, the grand mean score of revenue management service quality indicators shows that the comparison of their mean, as a result of mean score of the assurance was found to be 3.876 and empathy was found least mean score compared to other quality service indicators. The rest were found almost similar level. The finding indicates that the highest mean score implies that the revenue management in terms of assurance is potentially done to give sustainable quality service to taxpayers; and the least mean score tells that revenue management quality service regarding empathy needs to improve and the recent service at medium level. Similarly the revenue management regarding tangibility, reliability and responsiveness shows it's at median but relatively satisfactory than that of empathy.

In analyzing the data, the researcher used statistical software program package for social science. Accordingly, the results of the study interpreted through inferential statistics that include ordered logistic regression and proportional odds ratio were used to test the significant effect.

In general, the researcher presented all the collected data using tables, text and figures for this study. According to the findings of the study, the three of revenue management quality service indicators have found to be positive and have significant effect on taxpayer satisfaction. The reliability, responsiveness and empathy are statistically significant; Tangibility and assurance of revenue management are not statistically significant at 5% significance level. So, for Reliability, it indicates that for a one unit increase in reliability of revenue management, results a 0.406 increase in the log-odds of being in taxpayer satisfaction, given all of the other variables in the model are held constant. For a one unit increase in Responsiveness of revenue management, results a 0.616 increase in the log-odds of being in a taxpayer satisfaction, given that all of the other variables in the model are held constant. And a one unit increase in Empathy of revenue management, leads to a 0.509 increase in the log-odds of being in taxpayer satisfaction, given that all of the other variables in the model are held constant.

Finally, the finding implies that revenue management system had a general positive influence on satisfaction of business taxpayers. The key message arising out of this study is the need to organize revenue management system systematically and logically and further simplify the tax policies and procedures and thereby moderate complexity to raise the satisfaction of business taxpayer. The study implies that revenue Authority and other stakeholders should take workable measures to improve customs service quality to satisfy taxpayers by focusing on the dimensions identified as more important: Tangibility, reliability, responsiveness, assurance and empathy in this study.

6.3. Recommendation

This section provides some recommendations that are suggested as a solution to mitigate the problems identified in the study. The researcher has tried to forward the following recommendations based on the findings of the study.

Taxpayers' satisfaction was determined by all revenue management quality of service. Tax Authority should therefore improve more and more at all the necessary main things as tangibility, reliability, responsiveness, assurance and empathy of revenue management quality service through focusing on the following issues:

- In order to achieve the planned performance objectives, the authority should focus on improving taxpayers' satisfaction. To do so, they need to improve the current office tax service equipment and facilities, provide understandable tax compliance forms and supply visually appealing materials.
- In order to improve taxpayers' satisfaction regarding to office employees the authority should give training for its employee how to handle customers with neat and professional appearance.
- In order to satisfy taxpayers with regard to service provided, the authority should improve taxpayers attitude through educating, awareness creation and consultation sessions and should provide services timely and adequately. The office should also solve the customers' complaints properly, should keep their records accurately in free error free fashion, and the office should provide their services at the time they promise to do so.
- To collect the expected revenues, it is necessary to build up taxpayer satisfaction; the authority should make the office tax collection procedures and systems simple and transparent.

6.4. Future research directions

Further researcher can undertake exhaustive research project to investigate the revenue authority management qualities to improve the taxpayer satisfaction. In order to evaluate the impact of revenue management systems on taxpayer satisfaction, the future researchers should include management staff and authority employee by developing the respective survey questionnaire.

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APPENDIX I: Questionnaire

Questionnaire for taxpayers

Dear Sir/Madam;

My name is NigatuTaye. I am a Post graduate student in Accounting and Finance at Addis Ababa University, College of Business and Economics. This questionnaire is required for the study entitled “**The effect of revenue management on taxpayers’ satisfaction**”. The purpose of the study is to examine the effect of revenue management regarding to service quality on taxpayers satisfaction in Laga-TafoLaga-dadhi Revenue Authority. This study is purely academic and the respondents are assured that whatever information is provided will be highly confidential.

I would be grateful if you could take time of your busy schedule to provide answers to the questions raised to enable me complete the study. Any information provided would only be used of academic purpose. As a result, it would be kept confidential and utmost secrecy would be maintained.

Thank you in advance for your time and Cooperation.

Yours faithfully!

NigatuTaye

Address: Tel. 0911-80-68-28

E-mail: nigatutaye12@gmail.com

Attention: Do not write your name.

Questioner Number: _____

Date of interview: Day _____ Month _____ Year _____

Interviewed by: _____

PART ONE
PROFILE OF RESPONDENTS

PART ONE: RESPONDENT'S IDENTIFICATION

Instruction: Please tick (✓) or mark your thought and where appropriate. Give your opinion for the open ended questions.

- 1). Gender A) Male B). Female
- 2). Age A) From 21-30 B) From 31-40
 C) From 41-50 D) Above 51
- 3). Your educational level
- A) Below grade 10 B) Grade 10/ 12 complete
 C) Diploma D) BSc. /BA Degree
 E) Others
- 4). When did you start your business?
- A Two year and less
 B 3-5 years
 C 6-10 years
 D More than 10 years
5. Type of your business _____

PART TWO

SERVICE QUALITY OF REVENUE MANAGEMENT RELATED QUESTIONS

Please read each questions carefully, and then mark the appropriate box from the scale where **1** means "Strongly Disagree" **2** means "Disagree"**3** means "Neutral"**4** means"Agree"**5** means " Strongly Agree"

	Statement	Circle only one option in 1-5				
	TANGIBLE					
1	The office has modern tax service equipment	1	2	3	4	5
2	Attractive provision of equipment and office facilities,	1	2	3	4	5
3	The Tax office employees have neat professional appearance	1	2	3	4	5
4	The office has visually appealing materials with the type of services provided	1	2	3	4	5
5	The office has Understandable tax compliance forms	1	2	3	4	5
	RELIABILITY					
1	The office provides timely and adequately service	1	2	3	4	5
2	The office solve the customers complain properly	1	2	3	4	5
3	The office keeps its records accurately and in error- free fashion	1	2	3	4	5
4	The office is punctual and give services according to the time promised	1	2	3	4	5
5	The tax collection procedures and system of office are simple and transparent	1	2	3	4	5
	RESPONSIVENESS					
1	The office informs their customer exactly when service will be provided	1	2	3	4	5
2	The office assess tax rate without making a difference among taxpayers	1	2	3	4	5
3	The office employees are always willing to help customers	1	2	3	4	5
4	The office employees always respond to customers request on time	1	2	3	4	5
5	The office has education, awareness creation and consultation sessions for the taxpayers	1	2	3	4	5
6	The office levies tax according to customers' ability to pay	1	2	3	4	5
	ASSURANCE					
1	The office employees a worker who make customers feel comfortable	1	2	3	4	5
2	The office has knowledgeable employees that answer customers questions	1	2	3	4	5
3	The office employees who instill confidence in a customer	1	2	3	4	5
4	The office employees (workers) who are consistently polite and honest	1	2	3	4	5
	EMPATHY					

1	The tax officers understand the taxpayers' needs and gives you special attention	1	2	3	4	5
2	The revenue management system and working hours are convenient	1	2	3	4	5
3	The office makes great effort to have customers' best interest at heart	1	2	3	4	5
4	The office employees try to know and understand customers' needs	1	2	3	4	5
5	The office working hours are convenient to all their customers	1	2	3	4	5

PART THREE

OVERALL TAXPAYERS' SATISFACTION

Please read each questions in the following customer satisfaction questionnaire carefully and mark the appropriate box from the scale where **1** means "Strongly Disagree" **2** means " Disagree"**3** means "Neutral"**4** means "Agree "**5** means " Strongly Agree"

No	ITEMS	Circle only one option in 1-5				
1	The taxpayer is satisfied with the system of tax administration handling of the customers' appeal	1	2	3	4	5
2	The taxpayer is satisfied with the length of the process from the first notice through revolution	1	2	3	4	5
3	The taxpayer is satisfied the way the tax administration communicate with them throughout the examination	1	2	3	4	5
4	You are generally satisfied with the Laga-tafoLaga-dadhisub city tax administration service	1	2	3	4	5

COMMENTS

Please indicate any comments, to improve the revenue administration services, In addition, write your recommendations and corrective measures that should be taken by the revenue tax authorities to increase taxpayers' satisfaction. _____

Thank you for your cooperation

PART FOUR

REVENUE ADMINISTRATORS IN-DEPTH INTERVIEW INSTRUMENT

1. How do you feel about the satisfaction of taxpayers with the services of Laga-TafoLaga-Dadhi Revenue Authority?
2. How do you evaluate the overall taxpayers' satisfaction with the revenue administration?
3. What can you suggest the office should do to improve the satisfaction of taxpayer with service provided?
4. Do you believe Laga-tafoLaga-dadhi Revenue Authority has achieved revenue from the taxpayers? If yes, are the taxpayers satisfied with the service?
5. What measures should be taken by Laga-tafoLaga-dadhi Revenue Authority to improve the tax administration system to increase tax payer satisfaction.
6. What can you suggest the branch should do to improve knowledge and awareness of taxpayers with tax law and regulation?
7. How do you allocate resources for efficient service quality?
8. How do you evaluate efficiency of Revenue officers regarding the tax payers' satisfactions?
9. Is there continuous training and/or tutor to enhance skill and Knowledge of revenue officers?
10. If you have additional comment please add it

MAXXANSA
YUUNIVARSIITII ADDIIS ABABAA
KOLLEJJII BIIZINASHII FI IKOONOOMIKSHII
MUUMMEE AKKAAWONTIINGII FI FAAYINAANSII

Gaaffileekaffaltootagibiraatiif

KabajamtootaHirmaattotaa,

MaqaankooNigaatuuTaayyeeAnibarataadigriilammaffaamuummeeakkaawontingiifi

FaayinaansiiYuunivaarsiitiiAddiisAbabaati. Mata-dureenqorannookiyyaas

“Bu’aaBulchiinsiGaliiBu’uurakennaatajaajilaQulqullinaIttiquufiinsakaffaltootagibiraairrattiqaban”

kanjedhuyeroota’ukaayyoonqorannichaabu’aahoggansigaliinbu’uurakennaatajaajilaqulqullinaittiquufiinsa
kaffaltootagibiraBulchiinsaMagaalaaLaga-XaafuuLaga-Daadhiirrattiqabanaddabaasuunhubachuudha.

Odeeffannooqorannichaaisinnuufqooddaniccitiinisaakaneeggamee fi

kaayyoo barnootaafqofakanfayyadamnuu fi gamakamiinuukanisinhinmiinedha.

Yerookeessankabajamaanaafkennitaniiqorannookiyyaakkanxumuruufgaaffileearmaangadittidhiyaatanfed
hiikeessaniinnaafdeebisuukeessaniifdurseeisingalateeffadha.Odeeffannoonisinnaafguuttanhunduukaayyoo
dhimmabarnootaafqofakanoolaniidha.

Xumurrattioodeeffannoonisinguuttanhunduuiccitiinisaaguutumattikaneegamedha.

GALATOOMAA!

Lakk.Bilbila - 0911806828

E-mail - nigatutaye12@gmail.com

KUTAA I: RAGAALEE HIRMAATTOTAA

KUTAATOKKO: EENYUMMAA HIRMAATTOATAA

Qajeelfama: Iddoofilannookeessansaanduqakeessattimallattoo(✓)kaa'aa.

Gaafilee banaairratti immooyaadakeessanibsaa.

1. Saala: A. Dhi. B. dub.
2. Umurii : A. 21- 30 B. 31- 40 C. 41- 50 D. 51 fi oli
3. Sadarkaa Barnoota : A. Kutaa 10 gadi B. kutaa 10/ 12 kanxumuran
C. Dippiloom BSc/ BA biroo
4. Daldaalakeessanyoomeegaltan? A. Waggootalamaa fi isaagadi B. Waggoota 3-5
C. waggoota 6-10 D. waggoota 10 Oli
5. Gosadaldalakeessanii _____

KUTAA LAMA:

Qulqullinakennaatajaajilahoggansagaliigaaf ileedhiyaatandeebisuuf dursa ergasirriittidubbistaniiboodadeebi ifilattansaanduqaiskeeli ifilattanirraattimarsitu. **Kunis1= Sirriitti Waliingalu 2 = Waliingalu 3 =Hinmurteessu 4= Waliin gala 5= Sirriittiwaliingala**

Himoota						
1. Haala Qabatamaa		Filannoo 1-5 jirankeessaa 1 ^{tti} marsaa				
1	Waajjirichimeeshaalee ammayyaatajaajilagibiraafoolanni qaba	1	2	3	4	5
2	Waajjirichihawwataa, meeshaalee fi faasiliitiinkanguuttameedha	1	2	3	4	5
3	Hojjattooti waajjirichaa ogummaakanqabanii fi haala faatiinkandhiyaataniidha	1	2	3	4	5
4	Waajjirichiyemmuu ilaalamukan meeshaalee tajaajilaafoolaniinguuttameedha	1	2	3	4	5
5	Waajjirichiifattigucagibiraahaalagaariinkanqabuudha	1	2	3	4	5
2. Amanamummaa						
1	Waajjirichitajaajilahaalagaariiguutuuta'een fi yeroonkennaajira	1	2	3	4	5
2	Waajjirichirakkooleemaamiltootaawalxaxaata'ansirriittihiikaajira	1	2	3	4	5
3	Waajjirichigalmeeisaasirriittinieeggata	1	2	3	4	5
4	Waajjirichitajaajilahaalumawaadaagalaniinyeroo eeganiiniraawwatu	1	2	3	4	5

5	Haalliwaajjirichigibiraittiinfunaanu, adeemsii fi mallifayyadamuusalphaa fi iftoominakanqabuudha	1	2	3	4	5
3. Itti-gaafatamummaaBahuu						
1	Waajjirichimaamiltootaisaatiiftajaajilakennanniibsuf	1	2	3	4	5
2	Waajjirichhangagaliigibiraagaraagarummaatokkomaleekaffalootagibiraair raani guru	1	2	3	4	5
3	Hojjattootniwaajjirichaayeroomaraafedhiimaamiltootaagargaaruufkanhojja taniidha	1	2	3	4	5
4	Hojjattootniwaajjiraayeroomaraayeroondeebiimaamiltootaakandeebisaniid ha	1	2	3	4	5
5	Waajjirichikaffalootagibiraafbaruumsa, hubannoouumuu fi gorsayerooyeroonnikennu	1	2	3	4	5
6	Waajjirichitilmaamagibiraakanmurteessanhaalumadandeettiikaffaltiimaamiltootaatiin	1	2	3	4	5
4. Mirkaneessa						
1	Hojjattootniwaajjirichaakanmiiramaamiltootaamijeessaniidha	1	2	3	4	5
2	Waajjirichihojjattootabeekkumsaandeebiimaamiltootaadeebisanqabuud ha.	1	2	3	4	5
3	Hojjattootniwaajjirichaakanmaamiltootniakkaofittiamanamummaaqaabaata nkangargaaraniidha	1	2	3	4	5
4	Hojjattootniwaajjirichaakanyeroomaraaamalagaarii fi amanamummaaqaabaniidha	1	2	3	4	5
5. DeebiiHatattamaakennuu						
1	Hojjattootnihaalagaariinkaffalootagibiraailaalu	1	2	3	4	5
2	Hoggansigaliiyeroohojiihaalagaariidhaanqabu	1	2	3	4	5
3	Waajjirichimaamiltootaisaaniimiiragaaiinhubatu	1	2	3	4	5
4	Hojjattoonniwaajjirichaamaamiltootaisaaniikanbeekanii fi fedhiiisaaniisnibeeku	1	2	3	4	5
5	Yeroonhojiiwaajjirichaamaamiltootahundaafmijataakanta'edha	1	2	3	4	5

KUTAA SADI: WALIIGALA HAALA ITTI-QUUFIINSA KAFFALTOOTA GIBIRAA

Haalaittiquufiinsaakaffalootagibiraagaafileedhiyaatandeebisuufdursaergasirriittidubbistaniiboodadeebiifil attansaanduqaiskeeliifilattanirraattimarsitu. Kunis **1= sirriittiwaliingalu 2 = waliingalu 3 = hinmurteessu 4= waliin gala 5= sirriittiwaliiga**

No	Himoota	Filannoo 1-5 jirankeessaa 1 ^{tti} marsaa				
		1	2	3	4	5
1	Kaffalaangibiraahaalabulchiinsagibiraqabiinsaaittiquufiinsafedhiinmaamiltootaaguuttameera	1	2	3	4	5
2	Kaffalaangibiraaadeemsadheeranjalqabeekaraahundaanhubachuuittiquuf eera	1	2	3	4	5
3	Kaffalaangibiraahaallibulchiinsagibiraaittinwalquunnamankaraaqoratam eenittiquufameera	1	2	3	4	5
4	WalumaagalattiittiquufinsimagaalaaMojootajaajillibulchiinsigibiraakanit tiquufameera	1	2	3	4	5

Yaada

- ✎ Tajaajillibulchiinsagaliifooyyessuu, akkasumasitti-quufiinsakaffalaagibiraaguddisuuftarkaanfileenwaajjirrigaliifudhachuuqaban tarreessaa-

DeeggarsaKeessaniifGalatoomaa

