IMPACT OF ACCOUNTS MAINTENANCE ON BUSINESS PERFORMANCE OF SMALL AND MEDIUM SCALE ENTERPRISES IN SRI LANKA

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Abstract

Keeping up Accounting Records includes a procedure that is trailed by Accountants and accounting staff in preparing crude money-related information into yield data advice regarding financial statements. Small and medium enterprises are becoming increasingly important in terms of job creation globally. The purpose of the study is to examine the influence of Accounts Maintenance practices on the business performance of small and medium-scale enterprises in Sri Lanka and the study sought to establish the relationship between Accounts Maintenance and SME performance in Sri Lanka. And also this study helps to reflect the importance of the maintenance of the account for SME's owners and expects to provide guidance for future researchers. Accounts Maintenance practices consist of proper accounting records, preparation of accounting records, and accounting records procedures. Whereas business performance is measured by organizational goal achievement, organizational growth, and organizational profitability. This study used small and medium size companies which are registered in CSE. Accordingly that these companies do not exceed a turnover 750Mn and the Number of employees does not exceed 300 individuals. Data was collected from annual reports for the period from 2012 to 2021. Data collected were analyzed using multiple regression analysis to examine the effect of the independent variable, Accounts maintenance practices, on the dependent variable, micro-enterprise performance (Firm value). Finally, it is expected that this study's findings would help to reflect the importance of account maintenance for SME's owners. And also help to move toward effective decision-making, planning, and controlling activities through a proper account maintenance system.

Keywords: *Business performance, Firm Size, Firm growth, Profitability, Accounts Maintenance*