

## **The Impact of Covid-19 Pandemic on Financial Soundness of Listed Companies in Sri Lanka: An Application of Altman's Model**

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### **Abstract**

The financial position of listed companies is an issue that every stakeholder is concerned about very much. Therefore, investment decisions of the investors are based on the companies' financial position. The management of the companies tries every means to improve the company's financial position and hopes to maintain good trends in the future. The objective of the study is to investigate the impact of COVID 19 pandemic on financial soundness of listed companies in Sri Lanka. Financial soundness is measured using application of Altman's z -score model. The sample of this study consists of all the companies listed in Colombo stock exchange excluding bank, insurance, and diversified financials industry group between for the period of 2016-2020. Accordingly, this study uses secondary quantitative data by using annual reports of the listed companies. Correlation analysis is to use analyses data using statistical techniques. This study will contribute to the body of knowledge by identifying how listed companies manage their financial soundness and how COVID 19 influences on financial position. Then, it will be useful to decision makers and policy makers to ensure effective financial position.

**Key words:** *Financial Soundness, Altman's Model, Colombo Stock Exchange, COVID 19*