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**ISSUES AND FUTURE PROSPECTS
OF SMALL BUSINESS**



By

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ABSTRACT

This study has been conducted on the Issues and Future Prospects of Small Business. The Identified research problem was "Whether capital investment in the small business sector is efficient? If not what are the reasons that lead them to be inefficient?".

The main objective of the research was to study the efficiency of the capital investment of small business and highlight the achievements and drawbacks being available in the small business sector. The specific objectives were to examine the managerial characteristics of small business, to inquire into the factors influencing, achievements and drawbacks of small business, to examine the efficiency of capital investment of small business and to suggest feasible ways and means to promote small business.

Both primary and secondary data were collected for the research. Primary data were collected using a developed Questionnaire. The selected sample area is the Western Province of Sri Lanka. The Study sample consisted of 118 small business units. Secondary data collected from related books, journals, reports and respective organizations.

The major finding of the research is that capital investment in the small business sector is efficient as capital investment in the large scale business sector and as the AWFDR.

According to the views of the owners and managers the most needed incentives are marketing and finance. However the real problems of small business are lack of entrepreneurial interest, lack of management training, non planning, non record keeping, lack of advertising, problems of inputs, non quality control, employment problems etc.

A central controlling body for the institutions providing services for the SMI sector in Sri Lanka is recommended by the study. It is also recommended to managers/ owners of small business to participate in training programmes. Small business could be promoted as a employment opportunity.

Small business should obtain facilities such as building, machinery etc., as there are shortages in those sections. Proper quality control, linkage programmes with suppliers, forward buying contracts advertising, are also recommended by the study.

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