

The Impact of SLFRS 15 Revenue from Contracts with Customers on Profitability of Sri Lankan Listed Companies

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Abstract

This study investigates the impact of applying SLFRS 15 standard on profitability on Telecommunication, Capital goods and Retailing sectors of Sri Lankan Listed companies in Colombo Stock Exchange. This study address three sectors out of all sectors as per big four expectation highly impacted sectors are used. The study addresses four independent variables, namely Return on Assets, Return on Equity, Earning Per Share and Gross Profit Margin and their impact on revenue before and after implementation of SLFRS 15. The researcher has investigated the relationship and impact of the independent variables on dependent variables by analyzing financial statements before and after applying IFRS 15 for 2017,2018, 2019, 2020. This is followed by regression analysis which showed that associated at a statistically significant level with changes in revenue. The study concludes that there is a relationship and impact between changes in revenue and ROA, ROE and GPM.

Key words: *SLFRS 15, Return on Assets (ROA), Return on Equity (ROE), Earning Per Share (EPS), Gross Profit Margin (GPM)*