

## **Impact of computerized accounting systems on quality of financial reporting in Small and Medium Enterprises (SMEs) in Galle District, Sri Lanka.**

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### **Abstract**

The research examined the impact of computerized accounting systems on the quality of financial reporting in SMEs located in the Galle District Sri Lanka. Identify how computerized accounting systems enhance the caliber of financial reporting is the main goal of this study. With a qualitative methodology and qualitative data, a correlational design was adopted. Previous studies found that there is a favorable correlation between computerized accounting software systems and quality of the financial reporting and that these systems assure the effectiveness of the quality of financial reporting. The characteristics of computerized accounting software, such as transaction processing, report preparation, system security, comparability, timeliness, understandability, verifiability, and reliability, are further examined in this study in relation to the high quality of financial reporting SMEs in the Galle District. Thus, the research examines the variables influencing CAS adoption in Sri Lankan SMEs. The literature states that the numerous elements were recognized and generally categorized into many groups. In the Galle District of Sri Lanka, 120 SMEs representing the manufacturing, trading, and service sectors provided information. Using a census and simple random sampling, a sample of 120 people was taken from a total population of 3173 SMEs. Data was gathered using a questionnaire, and 85.6% of those who responded were sufficiently representative of the entire population Punch (2003).

The study expects to provide evidence on the influence of accounting information systems on the quality of financial reporting by SMEs. These findings will become important insights for the decision makers in SME sector in order to strengthen the adoption of accounting information systems.

**Keywords:** *Computerized Accounting System, Small and Medium Enterprises, Quality of Financial Reporting.*