

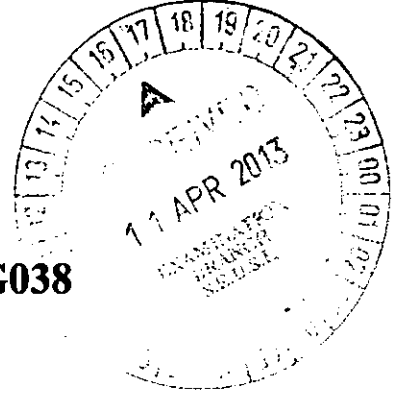
# **An Analysis on Determinants of Saving Behaviour**

**(With Special Reference to Household in Ampara District)**

**J.M Sachini Sunanda**

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**Department of Accountancy & Finance**

**Faculty of Management & Commerce**

**South Eastern University of Sri Lanka**

**Oluvil.**

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## ABSTRACT

Saving is critical for the economic development of a country and can insulate it from unwanted inflation and financial instability as a result of international exposure. Sri Lankan is currently experiencing low household saving rate and many people have difficulty servicing debts.

Saving improvement is critical importance with regard to saving and country's ability to finance future project. A literature review has been undertaken to distil the determinants of saving in general and to observe the applicability of these determinants to Sri Lankan peoples.

This research intend to analysis of the determinants of household saving behaviour with reference to questionnaires and quantitative answers from the respondents in six divisional secretariats in Ampara District.

The key finding of the research indicates that the Sri Lankan peoples are financially illiterate and not disciplined with regard to budgeting. They show a high dependency ratio and the need for instant gratification.

The recommended outcome of this research indicates that the Sri Lankan government should implement budgeting as part of the curriculum in primary and high schools. People leaving employment before retirement should not be allowed to cash out more than 50% of their pension fund, and the privet sector should be involved in educating its employees with regard to budgeting and the benefits of saving, while creating a environment that facilitates access to financial providers.