

**APPLICATION OF BOOK-KEEPING IN SMALL MEDIUM ENTERPRISES
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Abstract

Since 1987 SMEs are being seen as backbone of Sri Lanka and SMEs has been giving huge contribution to the Sri Lankan government revenue. SMEs contributes much to the employment of Sri Lanka also. SMEs are influencing major role of Sri Lanka's Gross Domestic Products, Gross National Products approximately 45% employment generated by SMEs. SMEs encouraging vast based equitable development and provide more opportunity for woman and youth participation in the economic development of the country. However the small businesses entrepreneurial are influenced by the book keeping systems. Its impact might be positive and negative. The main objectives in doing this research to study whether the awareness of accounting system has implication on application of book keeping in the organization. The other purpose of the research conducted to find out level of application of bookkeeping in small medium enterprises. The statistical results showed a positive relationship between awareness bookkeeping and application of bookkeeping in SMEs. The research was conducted in Trincomalee Town and Gravets area and 100 questionnaires were distributed to the SMEs. In this research the deductive approach has been implemented in order to answer the research questions. Quantitative data has been collected through questionnaire. The statements used in the questionnaire are based on knowledge previously studied and theories reviewed through literature. The data collected through the questionnaire has been analyzed using SPSS. The results of the study showed how the book keeping influence the small medium enterprises , The book keeping in SMEs and how SMEs are manipulating the book keeping systems. The knowledge of bookkeeping and tools of bookkeeping highly determining the application of bookkeeping in small medium enterprises. Furthermore it was found that the more positive relationship application of bookkeeping with SMEs.

Key words: SMEs, Awareness of book-keeping, Application of bookkeeping

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