

**THE IMPACT OF ACCOUNTING INFORMATION
FOR THE SUCCESS OF SMALL AND MEDIUM
SCALE ENTERPRISES**

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ABSTRACT

This study tried to find out the impact of the accounting information for the success of small and medium scale enterprises. SMEs play vital role in the economic progress in the Sri Lanka. There are number of SMEs in Sri Lanka, also the failure rate of SME is high. Bad accounting practices of SMEs directly affected to the failure of SMEs. It can be recognized the major reason for failure the SMEs. A company that keeps completely accounting records derives numerous benefits. If they maintained the completely accounting records can be gaining the various benefits. And also, they can measure the accurate performance by using better accounting records. It helps to accomplish to various opportunities for arise the new trends related to the SMEs. And also, they could be able to conclude the better decision for success their businesses.

This study is focusing to indicate the relationship between Accounting data and successfulness of SMEs. This study collected the data by using well-structured questionnaire from SMEs in Rathnapura and Niwithigala area. Finally, this study determines that better Accounting Information can be used as monitor to make accurate decisions. And also these enterprises can make better decisions by using ratio analysis for success of their organization in the Sri Lankan context.

Keywords: Accounting Information, Ratio Analysis, SME

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