

**EFFECTIVENESS OF PADDY LOAN SCHEME OF
STATE BANK**

**A COMPARATIVE STUDY ON AMPARA AND
POLONNARUWA DISTRICT OF SRI LANKA**

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(INDEX NO: MG 0568)**

This dissertation submitted to the Department of Accountancy & Finance,
Faculty of Management & Commerce of the South Eastern University of
Sri Lanka in partial fulfillment of the requirement for the awards of the
Degree of Bachelor of Business Administration, Special in Accounting.

Accounting unit

Department of Accountancy & Finance

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Oluvil

2013

ABSTRACT

The main purpose of this investigation was to analyze the relationship between effectiveness of paddy loan scheme of state bank, A comparative study on Ampara and Polonnaruwa District. Data were collected from 180 farmers of Polonnaruwa and Ampara District using of questionnaire. In this study descriptive, mean and Standard deviation were used to analyze the data.

The results of descriptive analysis revealed that, the level of variables such recovery rate was ineffective level. The result of the SPSS analysis found there is significant negative relationship between paddy loan and its recovery rate. Customer response ineffectively regarding inspection was done by the bank of Ceylon the bank should continue follow up then only can reduce recovery rate. Customer ineffectively response regarding the productivity the less productivity is highly effect for recovery rate because productivity is not expected level.

In this research, Recovery action very important factor because customers are not willing to settle loan voluntary then follow up is compulsory to keep regular position.