A Study Between the Association of Financial Management Practices and Performance of Small and Medium Enterprises (SMEs) Background: A Working Paper

L. Sooriyakumaran[1*], Dr. S. S. Thrikawala[2], C. Pathirawasam[3]

[1]*Advanced Technological Institute, SLIATE, 320, T B Jayah Mawatha, Colombo, Sri Lanka*
[2]*Waikato Institute of Technology, New Zealand*
[3]*Professor, Department of Commerce & FM3, University of Kelaniya, Sri Lanka*
*Corresponding author**

Abstract: **The purpose of the study was to identify the factors of financial management practices in SMEs background and to examine whether they impact on business performance of SMEs. A literature survey was carried out, and expert consultation was employed to develop this working paper. With the help of the literature survey and experts' consultation, the association between financial management practices (FMP) and business performance (BP) was investigated. Accordingly, there were six indicators of financial management practices were identified in the literature namely; maintaining accounting records (MAR), financial reporting preparation and analysis (FRPA), accounting information system (AIS), working capital management (WCM), investment decision (ID) and financing (FIN). In addition, dependent variable of business performance. The literature evidenced that there are associations between FMP and BP in the SMEs. This includes positive, negative and no significant correlations or impact among variables of SMEs contributors. Accordingly, this study suggested a conceptual model for testing six hypotheses to examine the association between FMP and BP. Further, this study recommends an empirical study through explorative factor analysis and confirmatory factor analysis to develop valid and reliable instruments to measure the FMP in the SMEs context. A path model was suggested to examine whether FMP influences BP in the SMEs background and further identify the moderating effect of demographic factors of gender and education level of financial management practitioners and business age of SMEs.**

Keywords: **Financial management practices, business performance, SMEs, conceptual model and moderator.**

I. INTRODUCTION

High economic growth, support to intensification of GDP, increasing employability, developing innovation ability and development of the region are provided by the vital sector of small medium enterprises (SMEs) in developed or developing countries (Somathilake & Pathiravasam, 2020). Wickramatilake (2018) mentioned that SMEs represent from 75 percent to 99 percent of business entities in any country. According to Lau's (2005) observation, more than 95 percent of all entities fall in the SME categories in Organisation for Economic Co-operation and Development (OECD) countries, contributing nearly 80 percent of world trade and investment.

Based on the opinion of Obazee (2019) about Nigeria, he pointed out that, even though SMEs are an important sector of the economy, very few established SMEs are surviving. Other SMEs are left from the scenario or counting their days to leave from the market. And SMEs' poor performance rate is high in Uganda and Kenya (Asiimwe, 2017; Jennifer & Dennis, 2015). In Sri Lanka, Malawige (2014) exposed that 75 percent of SMEs showed poor performance in their business for the last seven years. Rathnasiri (2014) also identified the evidence for the high lack of performance rate of SMEs. Bandara (2016) observed 44 percent of business deprived performance in SMEs from his 450 samples. Particularly, after the post war period, high rate of poor performance of SMEs shows in Northern Province (Vijayakumar, 2013). Thevarajah (2015, as cited in statistics of Small Business Administration, 2014) also supported the above view. Additionally, he indicated that 50 percent of the underprivileged performance of SMEs in Jaffna occurred for the businesses which survived nearly five years. The evidence reflects the poor condition of the segment in that area.

Theorists, researchers, analysts, and other responsible persons listed some reasons for these challenges as follows. Lack of marketing activities (Vaikunthavasan & Velnampy., 2019), unavailability of training facilities, improper capital structure, difficulty in accessing the credit capital (Kalaipriaya, 2018), and poor financial management practices (Rathnasri, 2015). Financial management practices and the performance of SMEs have been attracting a considerable amount of attention from researchers since 2010 (Kengatharan & Yogendrarajah, 2017).

Rathnasri (2015, as cited in Pandey, 2004) pointed out that financial management is a critical aspect of a business's well-being and survival. Nevertheless, SMEs often encounter accounting and financial management challenges due to poor record-keeping, inefficient accounting information in financial decision-making, and the low quality and reliability of financial data (Karunanada & Jeyamaha, 2010). Jenifer et al. (2015) study concluded that financial management practices were the major determinants of the growth of SMEs.

Problem Identification

The lack of knowledge in financial management practices, the commercial environment's performance and uncertainty led to severe problems for SMEs regarding organisational performances (Karadag, 2015). Nevertheless, the entity's performance will be affected severely if the financial decisions are mistakenly taken by the owner or manager or hired manager. Subsequently, the SMEs' performance could be damaged because of this inefficient financial management. Longenecker et al. (2006) concluded that lack of proper financial management practice is one of the issues that quickly lead to the collapse of SMEs, and it reduces the chance to access financing.

In the meantime, the Institute of Chartered Accountants of Sri Lanka (CASL) introduced a different standard and International Financial Reporting Standards (IFRS) for SMEs, which has been effective from 1st January 2012, intending to provide sensitive financial information to the users of financial statements of SMEs to having identified the importance of financial reporting. Alhassan Musah et al., (2018, as cited in (Bowen, 2009; Germain 2010; Kitinga, 2013) indicated, poor or lack of proper bookkeeping and accounting practices which are components of financial management practices is one of the major reasons for the collapse of SMEs

Those who have explored the financial management practices and identified the impact of financial management practices on firm performance and recorded the different results from their work in developed and developing countries (Nisar, 2005: Deresse et al., 2012: Waweru et al., 2014: Kengatharan & Yogendrarajah, 2017;Tharindi, 2016; Karunanada & Jeyamaha, 2011; Swarnapali, 2016; Rathnasiri, 2015). And further examined the moderating effect of demographic profile on the above relationship (Hoque, 2019: Karadag, 2017: Sindani, 2019)

However, increasing the problems of SMEs in many countries will lead to a dangerous position of them in the region. Therefore, it is imperative to examine SMEs' financial management practices and their performance with moderating effect of demographic factors, such as gender and education level financial management practitioners and business age of SMEs. Therefore, this study is an attempt to identify the conceptual frame for the financial management practices which is adopted by SMEs to assess whether the financial management practices have an impact on the performance of SMEs.

Based on the research problems, research questions and objectives are developed for the conceptual frame work as below;

Whether the financial management practices significantly impact on the performance of SMEs?

Under the main research question, the following subdivisions have occurred;

What are the financial management practices adopted by SMEs?

How the financial management practices impact on the performance of SMEs?

Is there a moderating effect of demographic factors such as business age, gender and education level of respondence on the relationship between financial management practices and the performance of SMEs?

The objective of the study to formulate the conceptual map to solve the research problem as mentioned previously are as follows:

- To identify the financial management practices and performance adopted by SMEs.
- To examine the impact of financial management practices on the performance of SMEs.

To inspect the moderating effect of demographic factors such as business age, gender and education level of respondence on the relationship between financial management practices and performance of SMEs.

Significance of the Study

SMEs' contribution to any countries is more significant. SMEs promote economic growth by import substitution as well as through direct exports. Furthermore, they mainly supply goods and services on a large scale, directly exporting ventures and thereby alleviating the balance of payment difficulties (Semasinghe, 2017).

SMEs' failure or difficulties to encounter less profitability come as a result of the irrational financial decision in various ways, and it happens due to inaccurate accounting information, which leads to inefficient financial management information (Kembo & Bwana, 2013, as cited in Miller & Rojas, 2004). Therefore, fundamental business management principles such as proper business planning, effectiveness in financial management, a live recording of accounting data, effectiveness in human capital management, and entrepreneurs' commitment to business management are the basis of a good foundation for business success (Wijewardana, 2018). Under this stage, this research aims to formulate the conceptual framework to how financial management practices affect the performance of SMEs and through this research provide the valuable model to the researchers with evidence of empirical and theoritical. Previous researchers have focused on examining, investigating, and describing the conduct of problems with financial management practices in SMEs (Siaw, 2014; Abanis et al., 2013; Ahmed, 2012; McMahon, 1999_a, 2002_b; Rathnasiri, 2015; Madurapperuma et al., 2016; Thevaruban, 2009; Wijewardana, 2018). Five specific areas of financial management practices include accounting information systems, financial reporting and analysis, working capital management (including cash management, receivables management, inventory management, and payable management), fixed asset management, and capital structure management have long been attracted by the attention of researchers (McMahon et al., 1993). Moreover, the most commonly used financial management practices such as preparing accounting records, accounting information systems, financial reporting and analysis, working capital management, fixed asset management, and capital structure management were suggested by Zwiebel (1996, as cited in Moor et al, 1996). All these practices are crucial for efficient financial management in organisations.

In this working paper, financial management practices such as maintaining accounting records, financial reporting preparation and analysis, accounting information system, working capital management, investment decisions, and financing were used to formulate the conceptual frame work of the study.

Many empirical pieces of evidence come from the developed economies of countries such as the United States of America (USA), the United Kingdom (UK), Canada, and Australia (McMahon et al., 1993). There seems to be a lack of evidence from developing economies (Rathnasiri, 2015; Madurapperuma et al., 2016: Swarnapali & Rathnayaka, 2016).

This study may be necessary to the financiers and advisors of SME owners like family members, banks, and other financial institutions. They will use this study to gather information on the financial management practices that SME owners practice and thus be able to create strategies that may facilitate easy access to financial information for these owners.

This study will perform as reference material to future researchers on other related topics and will help academics. Researchers can expand their argument regarding financial management practices and the performance of SMEs.

II. THEORETICAL REVIEW

Emery at el (1991, as cited in Arthur, 2008) gave examples of modern financial management theories formulated on principles of a set of fundamental tenets that form the basis for financial theory and decision-making in finance. Under the example of modern financial management theory, they are Agency theory, pecking order theory, and equity theory. For this conceptual frame work focus on equity theory to decide whether the dispersion of assets is reasonable to both social accomplices. The main elements of the 2010 IASB (International accounting standard board) Conceptual Framework were based on any of the following four equity theories of proprietary theory, entity theory, enterprise theory, and residual equity theory (Van Mourik, 2014). Different equity theories approaches are relevant under different circumstances of the organisation, economic relationships, and accounting objectives. Out of the above theories, proprietary theory (Porwal, 2001), entity theory (Belkaoui, 2011), and residual theories (Chroeder, Clark & Cathey, 2019) are used in this research.

Empirical review

Financial management is one of the essential capacities to enhance in all associations. It is the way forward and speaks tolong term for best improvement in organisation. According to Bongomin et al. (2017), access to finance and financial management are identified in numerous business studies as the most crucial factor in influencing the survival and growth of SMEs. Besides, the Financial Management of the SMEs, directed by Ismail (2009), emphasises the fundamental conviction that better finance-related data implies better control and a higher possibility of achievement.

Financial Management practices (FMP) are joined with activities outfitted to the board of cash to achieve the association's destinations. McMahon et al. (1993), McMohan (1998, as cited in Rathnasri, 2015) directed their exploration work in Australia, the UK, and the USA. The investigation gave the outlines of FMP in the associated territories. 1. Accounting information systems – the nature and motivation behind money-related records, accounting, cost bookkeeping, and utilisation of personal computers in budgetary record-keeping and monetary administration. 2. Financial reporting and analysis – the nature, recurrence, and motivation behind financial announcing, inspecting, investigation, and elucidation of monetary execution. 3. Working Capital Management – non-monetary and monetary contemplations in resource obtaining, quantitative systems for capital venture assessment, speculation rate assurance, and taking care of threat in a vulnerability in this specific circumstance. 4. Financial structure management – monetary influence or outfitting, bookkeeping to banks, information on sources and employment of account, non-money-related and monetary contemplations in monetary structure choices, and money-related contemplations in benefit dispersion choices. 5. Financial planning and control – monetary destinations and targets, cost-volume benefit examination, valuing, budgetary planning, control, and the executive's obligation focus 6. Financial advice – inner and outside sources and sorts of financial encouragement and utilisation of open book keeping administrations. 7. Financial management expertise - casual and formal instruction, preparing and involvement with money-related administration, functional capabilities, and in general monetary administration skills. These varieties of FMP would be deviated according to the nature and country where business is conducted.

Additionally, Ross's (2013, p. 3) theory, the financial management function is usually responsible with the vice president of finance or other chief financial officers (CFO). In a large firm, the vice president of finance coordinates the activities of the treasurer and the controller. The controller’s office handles tax payment, cost accounting, financial accounting, and data processing. Parralally, the finance office is responsible for managing the firm’s cash and credit, its financial planning, and its capital expenditures. In small-medium firms, all are coordinated by a manager or responsible financial officer, or owner. Therefore, all related activities of the fiancé are coming under the financial management practices.

FMP is fundamental to the success of any SMEs (Meredith, 1986, as cited in Jindrichovska, 2013). Even there were many findings from the literature; finally, they suggested that optimum application and commitment towards financial management practices result in an increased firm's performance. And further, he suggested that these financial management practices may deviate among three forms of business (sole proprietor, partnership, and company) under the different scenarios.

Keeping up legitimate books of accounts and sound bookkeeping have been emphasized to guarantee SMEs' appropriate financial management (Amoako,2013). For the improvement, sustainability, and success of financial management practices, an organization should maintain its accounting records properly. It is an essential requirement for the success of the business. Financial records must be kept current with all receipts filed regularly to ensure accurate budgeting and proper records for tax purposes (Banyan Global, 2011). Karunananda, and Jayamaha(2011) expressed that poor record-keeping and inefficient use of accounting information are the main problems in concerns of financial management of SMEs.

Further, Abanis et al. (2013) research work's objectives were to determine the extent of financial management employed by SMEs as to the dimensions: Working capital management, investment, financing, financial reporting and analysis, and accounting information systems. The study found out that the extent of financial management practices was low among SMEs.

Additionally, Rathnasri (2015) analysed the financial management practices of an accounting information system, financial reporting and analysis, working capital management, and fixed assets management practices under the heading of accounting and financial management tools and techniques.

In the meantime, Kengatharan et al. (2017) formulated a conceptual framework and conducted a study to find out the financial management practices among small and medium sized enterprises in Jaffna district and also examine the impact of financial management practices on performance of SMEs. In this work FMP have been measured by working capital management, investment appraisal, capital structure management, financial reporting and analysis and accounting information system. This research work results revealed that there was a significant difference in the application of financial management practices between size of business.

Swarnapali and Rathnayaka (2016) did the research work based on the model formulated by theoretical and empirical evidences in Anuradapura district with FMP of accounting information system, working capital management and financial reporting analysis on performance of SMEs. They identified that working capital management only positively and significantly influenced on performance of SMEs. Other variables were not impact on the performance.

In Colombo district Tharindi, and Rathnayaka, (2016) made a research work with the FMP variables of financial audit, accounting information system, investment decision and working capital management and found that the variables were positively impact on performance.

Sooryasena, and Palihena (2020) performed a study based on the variables of financial reporting and analysis practices, working capital management practices and fixed asset management practices with performance within Kurunegala Divisional Secretariat and revealed that they have significant positive impact on financial performance of SMEs.

In North Central province, Somathilake and Pathirawasam (2020) did a research work and concluded that out of five FMP; Working capital management practices, Investment appraisal practices, Capital structure management practices, financial reporting & analysis practices and Accounting information system, working capital management and capital structure management practices only significantly impact on performance.

According to the researchers findings, financial management practices are central to the success of any small business (Wolmarans & Meintjes, 2015; Agyei-Mensah, 2010; Obazee, 2019). Financial literature suggests that optimum application and commitment towards financial management practices increase firms' performance. Financially well-managed firms are operationally efficient (Butt et al., 2010). The ability of SMEs to develop, grow, sustain, and strengthen themselves is heavily determined by their capacity to access and manage finance (Abe, Troilo & Batsaikhan, 2015). Inefficiencies in financial management practices result in poor financial performance and eventually lead to the failure of SMEs (Jennifer & Dennis, 2015).

Rathnasiri (2015) finds that adopting financial management tools and techniques among Sri Lankan SMEs is very low. Orobia, Warren, and John (2013) also observed that poor implementation of financial management practices led to many businesses' collapse.

Karunananda et al. (2011) researched financial practices and performance of SMEs in Sri Lanka with the variables of Financial system, auditing, historical financial reporting practices, future-oriented financial practices, financial statement analysis practices, and performance. They revealed the impact among them. Selvanayaki et al. (2016), Mwangi et al. (2014), Yassin et al. (2013), Ali and Isak (2019), Waweru & Ngugi (2014), Karunananda and Jeyamaha (2011), Somathilake and Pathirawasam (2020) and Tharmini andLakshan (2021) revealed the results from their study as positive and significant relationship between financial management practices and organizational performance in different sampling area.

In the meantime, Daniel and Japhet (2017) found the moderate positive relationship between the variables of financial management practices and business performance of SMEs. Uduwaka and Dedunu, (2019) findings. revealed that there is no significant positive impact among them.

The above contradicts the research conclusion regarding the various variables of FMP, leads to further study in Sri Lanka to identify the relationship and impact between FMP and business performance SMEs and moderating effect of demographic factors of business age, gender and education of respondents between the FMP and business performance (BP). Also, from the empirical work, certain FMP were identified, but the conceptual framework does not cover all the settings of FMP as demonstrated above. However, to do the assessment, chosen financial management practices received by or identified within the Sri Lankan SMEs.

Hence, this study has used financial management practices are composed of six (6) constructs such as 1. Maintaining Accounting Records (MAR), which includes cash inflow documents, cash outflow documents, and fixed assets record, 2. Financial Reporting Preparation and Analysis (FRPA), 3. Accounting Information System (AIS), 4. Working Capital Management (WCM). 5. Financing (FIN) and 6. Investment Decision (ID). At the same time, in this conceptual formulation of the research work, the researcher adds demographic variables as moderating variable to identify the impact on the relationship between the independent and dependent variables.

Maintaining accounting records and business performance of SMEs

SMEs often faced accounting and financial management challenges due to poor keeping of records, inefficient use of accounting information for financial decision making, and the low quality and reliability of financial data (Sarapaivanich, 2003: Amoako, 2013). A study in the South district of Jordan by Belal (2013) investigated the types of business records kept by SMEs, analysed completeness of accounting records, and explored the level of awareness on the importance of financial management. It was concluded that SMEs used a single-entry accounting system due to the owner-managers simplicity and lack of knowledge. The study recommended that sound accounting practices improve the operations of SMEs. However, Agyei and Kofi Nicholas (2014, as cited in Sai Krupakar et al., 2020) revealed that most small-scale businesses do not keep proper financial records and effectively manage their inventory and payables.

Busieney (2014) reported that many SMEs' financial management practices comprise the maintaining good financial records for planning, keeping track of credit history and confirming payment of bills transaction on time and create a method to collect funds owed to the business. If the business entities carried out these practices in most effective way, it will ensure the sustainability of business.

Mwebesa et al. (2018) on the effect of financial record keeping on financial performance of development groups in rural areas of Western Uganda. The result of the study confirmed that financial record keeping had a great contribution or influence on financial performance. And further they suggest that without maintaining accounting records, it is not possible to prepare the financial reporting and analysis them to support the decision making.

McMahon and Holmes (1991) surveyed the accounting information requirements of 928 small enterprises operating in Sydney, Melbourne, and Brisbane. 57 percent of respondents said they used the journal/ledger (double entry) systems. This finding is instead in contrast to Peacock" s (1988, as cited in Sajuyigbe, Adeyemi & Odebiyi, 2017) findings of types of records maintained by failed enterprises, where only 2.1 percent of respondents were found to use double-entry systems (Amoako, 2013, Agyei et al., 2010).

Karunanandaet al., (2011) conducted a research work in the sample area of Gampaha district, Colombo district and Kurunegala district regarding financial practices of record keeping, accounting information, financial reporting analysis and auditing. They concluded that poor record keeping and inefficient use of accounting information are the main part of the financial management problem to support their financial decision-making process of SMEs.

At the same time, Rahamon & Adejare (2014) investigated the effect of accounting records kept by Small-Scale Enterprises and identified an important relationship between accounting records and small-scale firms' performance. Moreover, Wu and Young (2003, as cited in Wijewardana, 2018) and Sommers and Koc (1987, as cited in Wijewardana, 2018) found that proper record-keeping is critical for business survival. Wijewardana (2018), Shahabi et al. (2014), and Maseko et al. (2011) study have explored the accounting practices of SMEs in Sri Lanka, Iran, and Bindura, respectively. They identified that there is not enough financial information to enhance the business decision process; hence performance by SMEs is inefficient. Besides, Madurapperuma et al. (2016) research work also support their findings. Correspondingly, Chelimo (2014) and Muneer, Ahmad and Ali(2017) established a direct relationship between bookkeeping growth and the profitability of SMEs.

Furthermore, from the various researchers and scholars conducted their studies over the years, maintaining accounting records were considered as an independent variable for this conceptual formulation (McMahon, 1999; Kilonzo, 2015; Chong, & Ahmed, 2016; Arunruangsirilert & Chonglerttham, 2017; Sallem et al., 2017, Mwebesa et al., 2018; Mahesh et al., 2018; Blackburn et al., 2018).

Financial reporting preparation and analysis and business performance

Financial reporting mentions the standard practices that give interested parties information from an accurate description of a company's finances, including their revenues, expenses, profits, capital, and cash flow, as formal records (Financial reporting framework). According to Gitman (2011, as cited in Sajuyigbe et al., 2017), he indicated that if recording, financial reporting analysis and accounting information systems are meet the objectives only organization can provide the required information for planning and decision making.

McMahon and Davies (1991a, 1991b, 1992a, 1992b, 1994 as cited in Karunananda & Jayamaha, 2011) identified that comprehensive historical financial reporting and financial ratio analysis did not have any association with the growth and financial performance of SMEs. In contrast, Gitman, Juchau, and Flanagan(2015). identified a significant relationship between them.

Ezeagba (2017) has surveyed to analyse financial reporting in SMEs in Nigeria using time-series data. The study found that inadequate accounting books and records, human resources, and accounting systems are the challenges facing SMEs in preparing and presenting financial reports. McMahon and Adelaide (1995) engaged in a study to examine the impact of financial reporting practices upon business growth and performance outcomes among small and medium-sized enterprises (SMEs) in manufacturing in Australia. They argued that improved financial reporting leads to SMEs' more effective and efficient management and significantly improves their predictions.

From the above empirical review, the researcher found the different degrees of FRPA and relationship with FRPA and performance of SMEs as significantly (Amoako, 2013; Madurapperuma, et al., 2016; Kofi, et al., 2014; Maseko & Manyani, 2011; Cheluget & Morogo, 2017; Somathilake and Pathiravasam, 2020) and no correlation (Kengatharan and Yogendrarajah, 2017; Ezeagba. 2017) among them. For this conceptual formulation of the study, FRPA adopted as second construct variable with the above evidences.

Accounting information system and business performance

Romney, Steinbart & Cushing (2015)pointed out that the most significant advantage of computer-based accounting information systems is automating and streamlining reporting. Reporting is an effective tool for organisations to accurately see summarised, timely information used for decision-making and financial reporting.

The researchers, Azize and Esmeray (2013), Belal (2013), carried out a study on the accounting information system and performance in Turkish and South District of Jordan, respectively, and revealed that accounting information systems have a positive effect on the performance of the SMEs.

Further, Farhoodman and Hryck (1985, as cited in Abanis et al., 2013) studied across the USA and reported on the most important applications of computers, and it was found out that accounting was rated as the highest percentage. Similarly, Palmer (1994, as cited in Abanis et al., 2013) interviewed 36 small independent retail owner-managers and found that 33 percent of the sample businesses used computerised accounting systems.

Abanis et al. (2013) found that application of AIS was low among SMEs. Somathilake and Pathirawasam (2020) recognized that AIS had no significant effect of accounting information system on SMEs performance. But Al-Dalaien and Khan (2018) study was contradicted with previous. They identified that there’sa significant effect of AIS on the performance. Based the empirical support AIS were included under the research work.

Working capital management and business performance

Under the following variable of WCM, Wanjohi (2009, as cited in Muneria&Otinga, 2019), Agyei-Mensah (2010) conducted a study to elucidate the working capital practices of SMEs in Kenya and Ghana correspondingly and concluded that working capital practices are low among SMEs and majority had not adopted formal working capital routines.

Harif et al. (2010, as cited in Jennifer& Dennis,2015) researched the financial management practices of SMEs in Malaysia, with the results indicating that lack of working capital which accounted for 93.6 percent, is the most common weakness in the area of financial management. Similarly, in their study, Dumbu and Alexander (2012) found that the majority of the SMEs in the manufacturing sector in Masvingo Urban was not practicing sound WCM. They are involved in the limited application of the theories of WCM. Supplementary, Czarnitzki and Hottenrott (2011, as cited in Kengatharan & Yogendrarajah, 2017) examined the relationship between WCM and profitability of small and medium-sized enterprises in Germany by controlling for unobservable differences. The result indicates that SMEs have an optimal working capital level that maximises their profitability. Contrast inefficient WCM among SMEs was found in the study done by Masocha and Dzomonda (2016) in South Africa with 50 selected SMEs owners.

A study by Charitou, Elfani and Lois(2010) investigated the effect of WCM on a firm's financial performance by profitability in an emerging market. They confirmed the hypothesis that WCM leads to improved profitability. Specifically, they found that the cash conversion cycle and its major components, such are days in inventory, days sales outstanding, and creditors' payment period were closely linked to the firms' profitability. From 2003 to 2012, Daniel and Japhet (2017) analysed the effect of working capital management on the firm's profitability in Kenya and found a negative relationship between profitability and number of days' accounts receivable and cash conversion cycle, while a positive association between profitability and number of days of inventory and number of days' payable. Moreover, financial leverage, sales growth, current ratio, and firm size also significantly affect the firm's profitability.

Similarly, using a sample of 88 American firms listed on the New York Stock Exchange for three years from 2005 to 2007, Gill, Biger and Mathur, (2010) examined the relationship between WCM and profitability. They found a statistically significant relationship between the cash conversion cycle and profitability, measured through gross operating profit. Finally, they concluded that managers could create profits for their firms by adequately managing the cash conversion cycle and keeping accounts receivable at an optimal level.

Moreover, Malait, Naibei and Kirui (2017), Agyei-Mensah (2010) concluded that SMEs relied on manual inventory methods, and the majority do not know anything about the Economic Order Quantity Model (EOQ). Careless WCM practices constitute a significant cause of SME failure. Poor Cash flow management, poor inventory control, and bad debts or poor receivables management are the most internal problems of SMEs.

Hofmann and Kotzap (2010) examined the WCM and concluded that effective WCM plays a crucial role in maintaining financial health. Working capital is the as it were speculation a company makes without anticipating a characterized return. If a firm over-invests in working capital, it is likely to run into cash flow problems and collapse.

Nyamao et al. (2012) found that working capital management practices were low amongst SMEs and it influences the financial performance. Correspondingly, Hamza et al. (2015) ,Oluoch, (2016, as cited in Tharmini & Lakshan, 2021) and Nyakundi, Charlesb, Jareddand Zablonc (2016) identified that WCM had a significant positive impact on the business performance of SMEs in their region.

In Sri Lanka, researchers (Rathnasiri, 2015_a, 2014_b; Somathilake and Pathiravasam, 2020; Kengatharan et al., 2017: Swarnapali & Rathnayaka, 2016; Tharindi & Rathnayaka, 2016) examined WCM in SMEs and identified that the implementation of WCM practices is low, and further, there was a negative and positive of no effect on business performance. The contradiction of the result in various studies drives conceptual map ofthe study with another variable of WCM under FMP.

Investment decision and business performance

Choosing the kind of advantages wherein the firm's assets will be contributed is named the investment decision. According to Morgan et al. (1992) and Cowton et al. (1995, as cited in Hunjra, Shaheen, Niazi & Rehman,2012), there are various concerns in investment appraisal. This type of technique is the starting point for management. The objectives and constraints affecting project selection are, therefore, imperative. Their projects are adopted based on net present value (NPV), internal rate of return (IRR), accounting rate of return (ARR), and payback period. Capital budgeting has attracted researchers over the past several decades.

When previous research work explored the application of investment decision level in SMEs, Kengatharan et al. (2017), Karanja (2012), Somathilake and Pathirawasam (2020) conducted the research based on whether there is any significant relationship or impact between ID and performance of SMEs and identified that investment does not significantly impact on the performance of SMEs in their sample area. This finding was contradicting with Butt et al. (2010), Daniel and Japhet (2017), Tharindi and Rathnayaka (2017), Babar et al. (2010), Ali and Adan (2019), Ejoh, Okpa and Ibang(2016), and Wambua and Koori (2018). They revealed that ID has a significant impact on the business performance of SMEs. These empirical evidences supported to the fifth construct of the research work.

Financing and business performance

Under the financial leverage, SMEs pay more attention to balancing the equity and debt at the optimum cost of capital (Petrus, 2009; Bowen et al., 2009, as cited in Wijewardana, 2018). Strong credit and debt collection policies are essential to establish a sustainable future for the business (Romney, 2009, as cited in Adeyemi & Sajuyigbe 2017). In India, Singh, and Janor (2013), in their paper, analysed the corporate financing patterns adopted by SMEs. They found that the SME sector is not adopting any particular form of capital structure. The need and the internal factors of an enterprise determine the choice of capital structure.

Karanja (2012) conducted a study to establish the effect of capital structure on the financial performance of SMEs in the dairy sector in Kiambu County and revealed that capital structure affected financial performance.

Controversy, a study done by Chepkemoi (2013) at analysing the effect of capital structure on the financial performance of SME in Nakuru Town of Nakuru County. The findings revealed that capital structure harmed firm profitability, positively affected firm liquidity, and positively affected sales growth.

It was contract with Palacios, Carrillo, and Guzmán(2016) Saeed and Badar(2013) and Adesina, Nwidobie and Adesina (2015)findings of financing sources influence on the business performance of SMEs as significantly and positively. Nevertheless, in Sri Lanka, Thevaruban (2009) examined small-scale industries and their financial problems. He underscored that it was challenging to get outside credit because the cash inflow and savings of the SMEs in the small-scale sector are significantly low.

Measures of financial performance of sales growth, profit growth, and total assets growth were used to measure SMEs' business performance (BP) in this conceptual framework work (Chepkemoi, 2013; Daniel, 2017) and H_1.

Moderating variable

It is contrasted to the Nketsiah (2018) and Tauringana and Afrifa(2013) finding that the effects of the financial management practices on SMEs performance depend on the firm's longevity. It concluded that firm age enables to development of the FMP to get the better performance of the organisation.

The empirical evidence is identified the moderating effect of business age with financial management practices and performance (Nketsiah 2018).Ntim, Evans, and Anthony (2014, as cited in Wijekumara, 2019), Rahamon and Adejare (2014) have revealed that the age of the business directly influences a form's adoption of formal accounting and control systems. Hui et al. (2013) has pointed that the amount of time a business has been in process affects its capacity to grow. The business age is associated with the firm's risk of failure, implying that younger firms are at a higher risk of failure than older ones. Further he examine the impact of firm age and size on the relationship among organisational innovation, learning, and performance among Asian Food Manufacturing Companies. The study revealed that two moderating variables of firm age and size significantly impact organisational performance by using regression analysis. Also, Nketsiah (2015a, 2017b) found that a firm's age significantly interacts with the association between FMP and performance. However, this finding is contradicting with Wijekumara (2019). In his studies, he revealed that the firm's age and external pressure have insignificant positive impacts on the adoption of a formal accounting system by SMEs in Anuradhapura. Based on the contradict results H_2 was formulated for this research work.

Financial literacy may be characterized as the capacity of a person to recognize how finance may be utilized or handled. Hence, they gain and develop it to make strides their financial status as well other responsible one which will make the development to the economy as an entire for a long time. Here financial literacy is decided by their education level. In this work education level was tested as the moderating variable and try to identify that how far the variable moderate the financial management practices and business performance relationship. Researchers (Aren & Aydemir, 2015) examined the education level (financial literacy) as a moderator on variables and revealed that financial literacy moderated the relationship between risk averseness in general and risky investment intention. Accompanying, Sindani (2019) concluded that education level moderates the relationship between account receivable management practices and growth of SMEs in Kenya. Owusu et al. (2019). Sucuahi (2013), Fatoki (2014) and Adomako and Danso (2014, as cited in Owusu, 2019) tested education level (financial literacy) as the moderating variable for their study. They had the contradict results among their work. It leads to model the H_3 in this study.

Ali (2013) conducted a research work with gender and education level which considered as individual characteristics and analysed the moderating effect of the individual characteristics on independent and dependent variable. He revealed that gender and education level serve as the moderating factors in the relationship between entrepreneurial marketing and financial performance. Correspondingly, Aren and Aydemir (2015) found the results in their work. Meanwhile this conclusion contradicts with Hoque and Awang (2019) and Ye and Kulathunga (2019) study.

Empirical works (Chen, 2002: Lachance, 2007; Leila, 2011, as cited in Ansar, 2019) found that men had more knowledge and were interested in learning about financial matters when compared to women. Meanwhile these results contradict with Lusardi (2015 as cited in Ansar, 2019) results of female have more knowledge in financial matters to lead their better performance in financial management practices.

This literatures were supported to construct the H_4 to identify the moderating effect of gender in this work.

Among the variables in different countries at different times. Many researches work concentrate on working capital management, capital structure, accounting entries, and control (Marfo-Yiadom, 2002; Abor & Biekpe, 2006; Marfo-Yiadom & Agyei, 2011 as cited in Agyei-Mensah, 2010; Pieterson, 2012, as cited in Nketsiah, 2018)and they do not establish the relationship between financial management practices and performance. Furthermore, none has investigated all the six financial management practices in one study.

With above theoretical and empirical evidences, the following hypotheses were developed for the conceptual work.

H1: Financial management practices significantly impact on the performance of SMEs.

H2: SME age has a significant moderating effect between financial management practices and the performance of SMEs.

H3; Education level has a significant moderating effect between financial management practices and business performance of SMEs.

H4; Gender has a significant moderating effect between financial management practices and business performance of SMEs.

Data analysis technique

Descriptive statistics can be used to explore, summarize, and describe the data. Inferential statistics would be the major part of the study to test the conceptual model with the hypothesis testing procedure. Under this EFA, CFA, SEM and additionally, multiple group analysis (MGA) (Hair et al., 2017) technique can be used to measure the impact of moderators on the conceptual model by using the collected data to test the hypotheses.

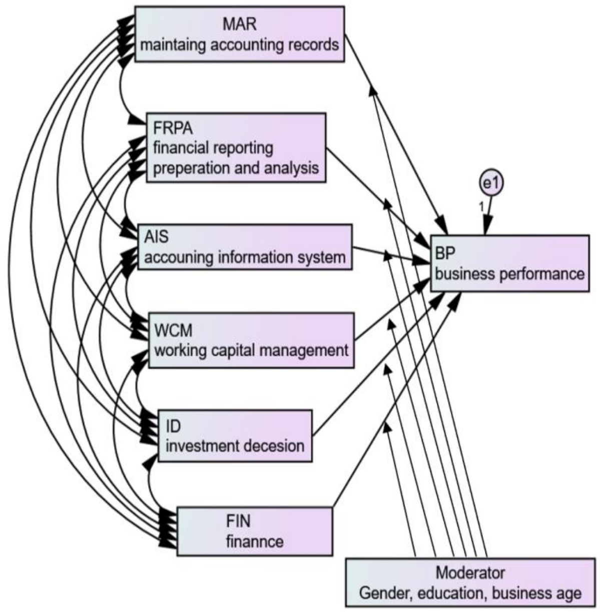

Figure 1.1 Proposed conceptual model to measure the impact of FMP on BP

III. CONCLUSIONS

This paper proposes a conceptual framework to improve the understanding of FMP and its influences on BP in the SMEs context. Consistent with the literature, it predicts that there are associations between the FMP namely; MAR, FRPA, AIS, WCM, ID and FIN with the BP of the SMEs context with moderating effect of demographic profile on the above association. As far as the empirical test of the model is concerned, the study is expected to be positioned in both the positivist functionalist and interpretive research paradigms. Explorative Factory Analysis is proposed to identify the measurement tools and Confirmatory Factor Analysis is proposed to ensure the reliability and validity of the constructs. Finally, the Path model is proposed to test the hypothesis to find the level of significance in the relationship between independent (FMP) and dependent (BP) variables.

REFERENCE

[1] Abanis, T., Sunday, A., Burani, A., &Eliabu, B. (2013). Financial management practices in Small and Medium enterprises in selected districts in Western Uganda.*Research Journal of Finance and Accounting*, 4(2), 29-42.

[2] Abdul-Rahamon, O. A., &Adejare, A. T. (2014). The analysis of the impact of accounting records keeping on the performance of the small scale enterprises. *International Journal of Academic Research in Business and Social Sciences*, *4*(1), 1-17.

[3] Abe, M., Troilo, M., &Batsaikhan, O. (2015). Financing small and medium enterprises in Asia and the Pacific. *Journal of Entrepreneurship and Public Policy, Emerald Group Publishing*, 4(1), 2-32

[4] Abeygunasekera, A.W.J.C., & Fonseka, (2012). Non-compliance with standard accounting practices by small and medium scale enterprises in Sri Lanka, Postgraduate Institute of Management, University of Sri Jayawardenepura, Sri Lanka. 38-46. http://archive.cmb.ac.lk

[5] Addo, I. K. (2017). The effect of financial management practices on the financial performance of top 100 small and medium enterprises in Kenya (Master's thesis), University of Nairobi, Kenya.

[6] Adeoti, J. O., & Asabi, M. O. (2018). Effect of Record Keeping Practices on the Performance of Micro Enterprises in Lagos State, Nigeria, *Amity Journal of Corporate Governance*,3(2).

[7] Adesina, J. B., Nwidobie, B. M., & Adesina, O. O. (2015). Capital structure and financial performance in Nigeria. *International journal of business and social research*, *5*(2), 21-31.

[8] Adeyemi, A. Z. &Sajuyigbe, A. S. (2017). Financial Management Practices and Women Entrepreneurs Performance: An Empirical Investigation. *International Journal of Economics and Business Management*, 3(1).

[9] Agyei-Mensah, B. K. (2010). Financial management practices of small firms in Ghana: An empirical study. *Available at SSRN 1597243*.

[10] Ahmad, Z., Abdullah, N. M. H., &Roslan, S. (2012). Capital structure effect on firms performance: Focusing on consumers and industrials sectors on Malaysian firms. *International review of business research papers*, *8*(5), 137-155.

[11] Ajith D Perera (2018). SME's are the backbone of the economy. *CMA*, 6(3),6-16. https://www.cma-srilanka.org

[12] Akande, O.O. (2011). Accounting Skill as a Performance Factor for Small Businesses in Nigeria. *Journal of Emerging Trends in Economics and Management Sciences*, 2(5), 372-378.

[13] Al-Dalaien, B. O. A. & Khan, N. A. (2018). Effect of Accounting Information System on Financial Performance: A Study of Selected Real Estate Companies in Jordan. *International Journal of Current Engineering and Scientific Research*, 5(1), pp. 41-50.

[14] Alhassan, M., Erasmus D.G., & Portia P., (2018). "Financial Management Practices, Firm Growth and Profitability of Small and Medium Scale Enterprises (SMEs)," Information Management and Business Review, AMH International, vol. 10(3), pages 25-37.

[15] Ali, A. Y. S., &Isak, A. O. (2019). Financial management practices and financial performance of service companies in Somalia. *Financial Management*, *10*(4).

[16] Alsharayri, M. (2013). Evaluating the performance of Accounting Information Systems in Jordanian Private Hospitals. *Journal of Social Sciences* 8 (1), 74-78.

[17] Amoako, G. K. (2013). Accounting practices of SMEs: A case study of Kumasi Metropolis in Ghana. *International Journal of Business and Management*, *8*(24), http://dx.doi.org/10.5539/ijbm.v8n24p73

[18] Ampah, S. N., & Ambrose, J. (2015). Financial Management Practices and Profitability of Small and Medium Enterprises in the Tema Industrial Area in Ghana. *International Journal of Management and Transformation: Vol. 8, Nos. 1-2*, 64.

[19] Ansar, R., Abd Karim, M. R., Osman, Z., & Fahmi, M. S. (2019). The Impacts of Future Orientation and Financial Literacy on Personal Financial Management Practices among Generation Y in Malaysia: The Moderating Role of Gender. *Asian Journal of Economics, Business and Accounting*, 1-10.

[20] Aren, S., &Aydemir, S. D. (2015). The moderation of financial literacy on the relationship between individual factors and risky investment intention. *International Business Research*, *8*(6), 17.

[21] Arthur, J. W. (2009). *Modern Financial Management Theories & Small Businesses*. Retrieved January 6, 2021, from http://ezinearticles.com/?Modern-Financial-Management--Theories-and-Small-Businesses&id=2298837

[22] van Mourik, C. (2014). The equity theories and the IASB conceptual framework. *Accounting in Europe*, *11*(2), 219-233.

[23] Arunruangsirilert, T., &Chonglerttam, S. (2017). Effect of corporate governance characteristics on strategic management accounting in Thailand. *Asian Review of Accounting*, 25, 85-105.doi:10.1108/ARA-11-2015-0107

[24] Asiimwe, F. (2017). Corporate governance and performance of SMEs in Uganda. *International Journal of Technology and Management*, *2*(1), 14-14.

[25] Azize&Esmeray, (2013). The Impact of Accounting Information Systems on Firm Performance: Empirical Evidence in Turkish Small and Medium Sized Enterprises. *International Review of Management and Marketing*, 6(2), 233-236.

[26] Bandara, C. (2016). What causes SMEs to fail in Sri Lanka. *The*

Daily Mirror, http://www. dailymirror. lk.

[27] Bandara, R. M. S., &Rathnasiri, U. A. H. A. (2016). The Working Capital Management Practices of Small and Medium Enterprises (SMEs) in Sri Lanka. *ICME 2016, Faculty of Management and Finance, University of Ruhuna*.

[28] Banyan Global (2011).Financial Management and Record Keeping Guide for BlueStar Franchisees.guide for the United States Agency for International Development

[29] Beg, K., (2018). Impact of Accounting Information System on the Financial Performance of Selected FMCG Companies. *Asian Journal of Applied Science and Technology*, 2(3), 08-17.

[30] Belal, Y. A. S. (2013). The use of accounting information by small and medium scale enterprises in South District of Jordan. *Research Journal of finance and accounting*, 4(6), 169- 175.

[31] Belkaoui, A. R. (2011). Accounting Theory Edisi 5. *Jakarta: SalembaEmpat*.

[32] Bellouma, M. (2011). The Impact of Working Capital Management on Profitability: The Case of Small and Medium-Sized Export Companies in Tunisia. *Management international*, 15(3),. 71–88.

[33] Blackburn, R., Carey, P., &Tanewski, G. (2018). Business advice by accountants to SMEs. Relationships and trust. *Qualitative Research in Accounting & Management*, 15, 358-384.doi:10.1108/QRAM-04-2017-0022

[34] Bongomin, G. O. C., Ntayi, J. M., Munene, J. C., &Malinga, C. A. (2017). The relationship between access to finance and growth of SMEs in developing economies: Financial literacy as a moderator. Review of International Business and Strategy, 27(4), 520-538. https://doi.org/10.1108/RIBS-08-2019-0037

[35] Boyd, B. K., Haynes, K. T., Hitt, M. A., Bergh, D. D., &Ketchen, D. J. (2012). Contingency hypotheses in strategic management research: Use, disuse, or misuse. *Journal of Management*, 38(1), 278-313.

[36] Brijlal, P., Enow, S., & Isaacs, E. B. (2014). The use of financial management practices by small, medium and micro enterprises: a perspective from South Africa. *Industry and Higher Education*, *28*(5), 341-350.

[37] Budiarto, D. S. (2014). Accounting Information System (AIS) Alignment and Non-Financial Performance in Small Firms. *International Journal of Computer Networks (IJCN*), 6(2)), 15-25.

[38] Busieney, S. K. (2012). Factors influencing the use of accounting services by small and medium enterprises in Kenya. Unpublished MBA project, University of Nairobi, Kenya: https://carijournals.org/journals/index.php/JACC/article/view/68. retrieved on 24.12.2019.

[39] Butt, B. Z., Hunjra, A. I. & Rehman, K.-U. (2010). Financial Management Practices and Their Impact on Organizational Performance. *World Applied Sciences Journal*, 9 (9), . 997- 1002.

[40] Central Bank of Sri Lanka, Annual Report, 2017 and 2018

[41] Chamber of Commerce and Industry, Jaffna District, Progress Report, 2018.

[42] Charitou, M. S., Elfani, M., & Lois, P. (2010). The effect of working capital management on firms profitability: Empirical evidence from an emerging market. *Journal of Business & Economics Research (JBER)*, *8*(12).

[43] Chelimo, J. K., &Sopia, I. O. (2014). Effects of bookkeeping on growth of small and medium business enterprises in Kabarnet town, Baringo County, Kenya. *International Journal of Science and Research*, *3*(12), 432-437.

[44] Cheluget, D. C. &Morogo, V. J. (2017). Effect of Financial MAnagement Practices and Project Performance in UasinGishuCountry, Kenya. *International Journal of Economics, Commerce and Management*, 5, 214-226.

[45] Chepkemoi, P. (2013). *An analysis of the effects of capital structure of small and medium enterprises on their financial performance: A case of Nakuru town* (Doctoral dissertation, Kabarak University).

[46] Daniel, N &Japhet, D. (2017). Effect of financial management practices on financial performance of Small and medium-sized enterprises in Kiambu town, Kenya. American based research journal. 6(1).

[47] Deegan, C. (2001) Financial Accounting Theory, Sydney: McGraw-Hill. Golda, A.D. (2013). Effects of financial management practices on performance of KMTC. (Master's thesis), University of Nairobi, Kenya. http://erepository.uonbi.ac.ke

[48] Deresse, M. L., &Prabhakara, D. R. (2012). Effect of financial management practices and characteristics on profitability: A study on business enterprises in Jimma Town, Ethiopia. *Journal of Research in Commerce & Management*, *2 (5)*, *64*, *75*.

[49] Dumbu, E., & Alexander, R. (2012). An Assessment of the Impact of Working Capital Management Practices on Performance of Manufacturing Micro and Small Enterprises in Zimbabwe: A case study of the Manufacturing MSEs in Masvingo Urban. *International Journal of Research in Management*, *6*(6), 85-92.

[50] Ejoh, N. O., Okpa, I. B. &Ibanga, U. J. (2016). An Examination of the Relationship between Capital Investment Appraisal Techniques and Firms" Growth and Survival in Nigeria. *Journal of Business and Management (IOSR-JBM)*, 18(1) .Ver. III), 45- 52.

[51] Esmeray, A. (2016). The Impact of Accounting Information Systems on Firm Performance: Empirical Evidence in Turkish Small and Medium Sized Enterprises. *International Review of Management and Marketing*, 6(2), 233-236.

[52] Ezeagba, C. (2017). Financial reporting in small and medium enterprises (SMEs) in Nigeria. Challenges and options. *International Journal of Academic Research in Accounting, Finance and Management Sciences*, *7*(1), 1-10.

[53] Foyeke, O. I., Olusola, F. S. &Aderemi, A. K. (2016). Financial Structure and the Profitability of Manufacturing Companies in Nigeria. *Journal of Accounting, Finance and Auditing Studies*, 2(3), 56-63.

[54] Fuseini I. O., & Lawrence A. A.& Belinda B. (2018). Bookkeeping and perception of growth of small and medium scale enterprises in the Cape Coast Metropolis.*European Journal of Business and Management*, 10 (26), 84-97.

[55] Gamge, B. N. (2014). Promoting Small &Medium Scale Enterprises in Post Conflict Sri Lanka: Challengers and Opportunities. *International Journal of Business & Management Studies*, 357- 364.

[56] Gan, C., Chong, L., & Ahmed, Z. (2016). Impacts of FRS139 adoption on value relevance of financial reporting in Malaysia. Managerial Finance, 42, 706- 721.doi:10.1108/MF-06-2015-0167

[57] Gill, A., Biger, N., & Mathur, N. (2010). The relationship between working capital management and profitability: Evidence from the United States. *Business and economics journal*, *10*(1), 1-9.

[58] Gitman, L. J., Juchau, R., & Flanagan, J. (2015). *Principles of managerial finance*. Pearson Higher Education AU.

[59] Hair Jr, J. F., Babin, B. J., &Krey, N. (2017). Covariance-based structural equation modeling in the Journal of Advertising: Review and recommendations. *Journal of Advertising*, *46*(1), 163-177.

[60] Hamza, K., Mutala, Z., and Ankwi, K., (2015). Cash Management Practices and Financial Performance of Small and Medium Enterprises (SMEs) in the Northern Region of Ghana, International Journal of Economics, Commerce and Management, United Kingdom, 3 (7).

[61] Harash, E. (2017). Accounting Performance of SMEs and Effect of Accounting Information System: A Conceptual Model. Global Journal of Management and Business Research: *Accounting and Auditing*, 17(3), 21-26.

[62] Hend , H., Ahmed, A., Rashed, A., Marwa, A. (2020). Effects of External and Internal success factors on SMEs performance in emerging economies: Evidence from Saudi Arabia., *Journal Management System* *42*(1), 63-100. DOI: 10.21608/zcom.2020.125267

[63] Hofmann, E., &Kotzab, H. (2010). A supply chain-oriented approach of working capital management. *Journal of business Logistics*, *31*(2), 305-330.

[64] Hoque, A. S. M. M., & Awang, Z. (2019). Does gender difference play moderating role in the relationship between entrepreneurial marketing and Bangladeshi SME performance?.*Accounting*, *5*(1), 35-52.

[65] Hughes, C. (2003). Opportunities for records managers working in the private Sector. Records management society of Great Britain.

Record management Journal, 13(3), 117 - 122.

[66] Hui, H., Wan, C., Radzi, J.W.M., Jenatabadi, H., Kasim, F.A., & Radu, S. (2013). The impact of firm age and size on the relationship among organizational innovation, learning, and performance: A moderation analysis in Asian food manufacturing companies. *Interdisciplinary Journal of Contemporary Research in Business*, 5,166-174.

[67] Hunjra, A. I., Shaheen, I. B., Niazi, G. S. K., & Rehman, I. (2012). Investment appraisal techniques and constraints on capital investment. *Actual Problems of Economics*, *2*(4).

[68] Ismail, N.A. & Zin, R.M. (2009). Usage of accounting information among Malaysian Bumiputra small medium non-manufacturing firms. *Journal of Enterprise Resource Planning Studies*, l http://www.ibimapublishing. com/journals/JERPS/jerps.html (Retrieved on 24.01.2020)

[69] Jagoda, K. J. M. M., Maldeniya, A. G. M. N., Ravinath, K. A. P., Ranaweera, W. P. M., &Pushpakumara, H. P. I. P. (2018). Relationship between Financial Reporting and Analysis Practices and Financial Performance of Small and Medium Enterprises (SMEs) in Sri Lanka. retrieved on 12.10.2019. https://mgt.sjp.ac.lk/acc/wp content/uploads/2018/12/a-article-2.pdf

[70] Jennifer, K., & Dennis, O. (2015). Financial management practices on growth of small and medium enterprises: A case of manufacturing enterprises in Nairobi County, Kenya. *IOSR Journal of Business and Management*, *17*(8), 65-77.

[71] Jindrichovska, I. (2013). Financial management in SMEs.*European Research Studies Journal* 16(4):79-95

[72] Kader, M. A. (2019). Financial Management Practices on Financial Performance. *Kader, Globus An International Journal of Management & IT. 11(1)* , 06-20.

[73] Kahando, D. M., Maina, T. M. &Maina, C. M. (2017). An Appraisal of Financial Management Practices on the Growth of Micro Enterprise in Kenya. *Journal of Business and Economic Development*, 2(1), 63-70.

[74] Kajananthan, R. &Nimalthasan, P. (2013). Capital structure and its impact on firm performance: A study on Sri Lankan listed manufacturing companies. *Merit Research Journal of Business and Management*, 1(2), 037-044.

[75] Kalaipriya, K. (2018). The Relationship between Access to Finance and Growth of SMEs in the Northern Province of Sri Lanka: Financial Literacy as a Moderator. *http://dr.lib.sjp.ac.lk*

[76] Kamande, K. M. (2015). The relationship between financial management practices and financial performance in the dairy industry in Kenya (Doctoral dissertation, University of Nairobi). *http://erepository.uonbi.ac.ke*

[77] Karadag, H. (2017). The impact of industry, firm age and education level on financial management performance in small and medium-sized enterprises (SMEs): Evidence from Turkey. *Journal of Entrepreneurship in Emerging Economies*, 9 (3), 300-314. https://doi.org/10.1108/JEEE-09-2016-0037

[78] Karanja, C. N. (2012). *The relationship between investment decisions and financial performance of small and medium scale enterprises in Limuru town, Kenya* (Doctoral dissertation, University of Nairobi).

[79] Karunananda, A., &Jayamaha, A. (2011). Financial practices and performance of small and medium-sized enterprises in Sri Lanka. In *Proceedings of International Conference on Business & Information. Available from: Digital Repository. kln. ac. lk*.

[80] Kengatharan, L., &Yogendrarajah, R. (2017). Financial management Practices and performance of SMEs in Sri Lanka: Evidence from Jaffna district. *International Journal of Accounting & Business Finance*, 61-72.

[81] Khan, M. W. J., Khalique, M., & Nor, R. M. (2014). Exploring the measurements of organizational performance: Small and medium enterprises (SMEs) perspective. *Market Forces*, *9*(2).

[82] Kiita, G. K. (2013). The relationship between financial management practices and financial performance in the shipping industry in Kenya. Master of Business Administration Thesis of University of Nairobi.

[83] Kilonzo, J. M., & Dennis, O. (2015). Financial Management Practices on growth of SMEs: A case of Manufacturing Enterprises in Nairobi County, Kenya. *Journal of Business and Management* (IOSR-JBM), 65-77. https://doi.org/10.9790/487X-17826577.

[84] Kitonga, K. G. (2013). The relationship between financial management practices and financial performance in the shipping industry in Kenya. *Unpublished MBA project University of Nairobi, Kenya*.Retrieved from http://erepository.uonbi.ac.ke/handle/11295/ 60435

[85] Kofi, M. E., Adjei, H., Collins, M. & Christian, A. O. A. (2014). Assessing Financial Reporting Practices among Small Scale Enterprises in Kumasi Metropolitan Assembly. *European Journal of Business and Social Sciences*, 2(10), 81 - 96.

[86] Kosgey , T. &Njiru, A. (2016). Influence of Working Capital Management on the Financial Performance of Small Enterprises; a Survey of Nakuru County. *Journal of Business and Management* (IOSR-JBM), 18(4 .Ver. II), 41-47.

[87] Kuluppuarachchi, M. K., Athauda, A. M. T. P., &Wijeyewardena, H. M. S. L. (2016). Obstacles for the sustainability of business start-ups: the case of north western province in Sri Lanka. *Applied Economics & Business*, 1 , 12-22. *http://www.nastec.gov.lk*

[88] Lau, C.M., &Sholihin, M. (2005). Financial and nonfinancial performance measurement: How do they effect Job Satisfaction? in the British. *Accounting Review*, 37(4), 389-413.

[89] Lazaridis, I., &Tryfonidis, D. (2006). Relationship between working capital management and profitability of listed companies in the Athens stock exchange. *Journal of financial management and analysis*, *19*(1), 26-35.

[90] Longenecker, J. G., Petty, C. W., Moore, J. W. &Palich, L. E. (2006). Small Business Management, an Entrepreneurial Emphasis. London: Thomson South Western. https://www.amazon.com

[91] MacKinnon, D. P. (2011). Integrating Mediators and Moderators in Research Design. *Research on Social Work Practice,* 21(6), 675-681.

[92] Madurapperuma, M. W., Thilakerathne, P. M. C. &Manawadu, I. N. (2016). Accounting Record Keeping Practices in Small and Medium Sized Enterprise‟s (SME‟s) in Sri Lanka. *Journal of Finance and Accounting,* 4(4), 188-193.

[93] Majumdar, S. K. (1997). The impact of size and age on firm-level performance: Some evidence from India. *Review of Industrial Organization*, 12, 231 -241.

[94] Malait, J. C., Naibei, I. K. &Kirui, J. K. (2017). Efficacy of accounting systems on the performance of public Universities in Kenya: A case of Egerton University. *International Journal of Scientific and Research Publications,* 7(10), 464-474.

[95] Malawige, I. &Nanayakkara, L. (2014). Drawbacks in SMEs‟ EIS Applications: Framework for Development of EIS for SMEs in Sri Lanka. *International Journal of Multidisciplinary Studies (IJMS)*, I(I), 63-73.

[96] Maseko, N. &Manyani, O. (2011). Accounting practices of SMEs in Zimbabwe: An investigative study of record keeping for performance measurement (A case study of Bindura). *Journal of Accounting and Taxation*, 3(8), 171-181.

[97] Masocha, R., Dzomonda, O. (2016). The mediating role of effective working capital management on the growth prospects of Small and Medium Enterprises in Polokwane Municipality. SAAPAM Limpopo Chapter 5th Annual ConferenceProceedings.

[98] Mbroh, J. K., &Assah, B. (2015). Financial records keeping and business decision-making practices by Small and Micro Enterprise owners in Ghana–evidence from the Central Region. *International Journal of Economics, Commerce and Management, 3*(8), 467-491.

[99] McMahon, R. G. (1999). Financial reporting to financiers Australian manufacturing SMEs. *International Small Business Journal*, *18*(1), 35-52.

[100] McMahon, R. G. (2002). Business growth and performance and the financial reporting practices of Australian Manufacturing SMEs. *Journal of Small Business Management*. 39(2), 152-164.

[101] McMahon, R. G. P. & Holmes, S. (1991). Small Business financial management practices in North America: A literature review.

Journal of Small Business Management, . 29(2): 19-29.

[102] McMahon, R. G. P. (1999). Putting SME financial reporting into theoretical and accounting for non-accountants: Practical perspective. *Reserved Paper Series*, 1, 98-10.

[103] Ministry of Industry and Commerce, National Policy Framework for Small Medium Enterprise (SME) Development (2016). http://www.industry.gov.lk/web/images/pdf/ framew_eng.pdf.

[104] Muazu, I. & Alhassan, M. (2014). Record Keeping and the Bottom Line: Exploring the Relationship between Record Keeping and Business Performance among Small and Medium Enterprises (SMEs) in the Tamale Metropolis of Ghana. *Research Journal of Finance and Accounting*, 5(2), 107-117.

[105] Muchira, B. W. (2012). Record keeping and growth of micro and small enterprises. A case study of Thika Municipality in Kenya. Unpublished MBA thesis, KenyattaUniversity-Kenya. *https://ir-library.ku.ac.ke*

[106] Muhindo, A., Kapute M., & Zhou, J. (2014). Impact of Accounting Information Systems on Profitability of Small Scale Businesses: A Case of Kampala City in Uganda. *International Journal of Academic Research in Management (IJARM*), 3(2), 185-192.

[107] Mumbo, G. O. (2013). Effects of financial statement on the performance and growth of SME‟s: A survey of SME‟s in Eldoret Langas area. *European Journal of Business and Management*, 5(24), 53-59.

[108] Muneer, S., Ahmad, R. A., & Ali, A. (2017). Impact of financial management practices on SMEs profitability with moderating role of agency cost. *Information Management and Business Review*, *9*(1), 23-30.

[109] Muneria, W. B., &Otinga, H. N. (2019). Influence of financial literacy and working capital management on financial growth of small business enterprises in Kakamega County, Kenya. *The Strategic Journal of Business & Change Management*, *6*(2), 1-17.

[110] Musah, A., Gakpetor, E. D., &Pomaa, P. (2018). Financial management practices, firm growth and profitability of small and medium scale enterprises (SMEs). *Information management and business review*, *10*(3), 25-37.

[111] Mushaho, K. N., Mbabazize, M. & Shukla, J. (2015). The effect of capital budgeting investment decision on Organizational performance in Rwanda. A case study of Bahresa grain lilling Rwanda LTD. *International Journal of Small Business and Entrepreneurship Research*,.3(5), 100-132.

[112] Mwakujonga, J., & Bwana, K. M. (2013). The practice of preparing and using financial information in financial decisions: a survey of SMEs in Tanzania.*European Journal of Business and Management*, 5(9),

[113] Mwangi, L. W., Makau, M. S. &Kosimbei, G. (2014). Relationship between capital structure and performance of non-financial companies listed in the Nairobi Securities Exchange, Kenya. *Global Journal of Contemporary Research in Accounting, Auditing and Business Ethics (GJCRA*), 1(2),. 72-90.

[114] Mwebesa, L. C. K., Kansiime, C., Asiimwe, B., Mugambe, P., &Rwego, I. B. (2018). The effect of financial record keeping on financial performance of development groups in rural areas of Western Uganda. *International Journal of Economics and Finance*, *10*(4), 136-145.

[115] National Policy Framework for Small and Medium Enterprises (SMEs) Development, Action Plan, Ministry of Industry and Commerce in Sri Lanka, (2016). *http://www.industry.gov.lk*

[116] NEDA, (2011) SME Guide book-"A guide to- wards a better business" Ministry of industry and commerce National Policy Framework for Small and Medium Enterprises Development in Sri Lanka. *http://www.industry.gov.lk*

[117] Nguyen, T. T. C., & Ho, M. H. (2021). Evaluation of Accounting Information Quality of Small and Medium-Sized Enterprises: An Empirical Study in Vietnam. *The Journal of Asian Finance, Economics and Business*, *8*(7), 161–167. https://doi.org/10.13106/JAFEB.2021.VOL8.NO7.0161

[118] Nicholas. (2018):https://www.inc.com/peter-economy/17-motivational-quotes-to-inspire-small-business-owners.html

[119] Nirajini, A. & Priya, K. B. (2013). Impact of capital structure on financial performance of listed trading companies in Sri Lanka. *International Journal of Scientific and Research Publications*, 3(5), 1-9.

[120] Nisar, T. (ed.) (2005) Finance and management practice: a literature review , London, UK. Department for Business, Enterprise & Regulatory Reform, 124pp.

[121] Nketsiah, I. (2015). Financial Management Practices and Performance of Small and Medium Enterprises in the Sekondi-Takoradi Metropolis . SSRN: https://ssrn.com/abstract=2922436

[122] Nketsiah, I. (2018). Financial management practices and performance of SMEs in Ghana: The moderating role of firm age. *Open Journal of Economics and Commerce*, *1*(4), 8-18.

[123] Nketsiah, I. (2018). Financial record keeping practices of small business operators in the Sekondi-Takoradi metropolitan area of Ghana. *Asian Journal of Economics, Business and Accounting*, 1-9.

[124] Nthenge, D., &Ringera, J. (2017). Effect of Financial Management Practices on Financial Performance of Small and Medium Enterprises in Kiambu Town, Kenya. *American Based Research Journal*, *6(1)*, 6-32.

[125] Nyakundi, T., Charlesb, O., Jaredd, A. &Zablonc, E. (2016). Influence of working capital management practices on financial performance of Small and Medium Enterprises in Machakos Sub-County, Kenya. *International Journal of Sciences: Basic and Applied Research*, 286-309.

[126] Nyamao, N. R., Patrick, O., Martin, L., Odondo, A. J., &Simeyo, O. (2012). Effect of working capital management practices on financial performance: A study of Small scale enterprises in Kisii South District, Kenya. *African journal of business management*, *6*(18), 5807-5817.

[127] Obazee, A. (2019). Exploring Financial Management Practices of Small and Medium-Sized Enterprises in Nigeria (Doctoral dissertation, Walden University). https://scholarworks.waldenu.edu

[128] Observer, O. E. C. D. (2000). Small and medium-sized enterprises: local strength, global reach. *Policy Brief*. https://www.oecd.org/cfe/leed/1918307.pdf.

[129] Okpara, J. (2011). Factors constraining the growth and survival of SMEs in Nigeria Implications for poverty alleviation. *Management Research Review*, 34(2), 156-171.

[130] Olawale, F., Olumuyiwa, O. & George, H. (2010). An investigation into the impact of investment appraisal techniques on the profitability of small manufacturing firms in the Nelson Mandela Bay Metropolitan Area, South Africa. *African Journal of Business Management*, 4(7), pp.1274-1280.

[131] Olukotun, A. G., James, S. O., &Ifedolapo, O. (2012). The roles of record keeping the growth and survival of small scale enterprises in Ijumu local government area of Kogi State. *Global Journal of Management and Business Research*, 12(13), 54 – 66.

[132] Oluoch, J. O. (2016). The impact of cash management practices on performance of SMEs: A survey of SMEs in Eldoret Central Business District. *Journal of Economics & Finance*, *7*(6), 01-07.

[133] Onaolapo, A. A. &Odetayo, T. A. (2012). Effect of Accounting Information System on Organisational Effectiveness: A Case Study of Selected Construction Companies in Ibadan, Nigeria. *American Journal of Business and Management*, 1(4), 183-189.

[134] Orobia, L. A., Byabashaija, W., Munene, J. C., Sejjaaka, S. K., &Musinguzi, D. (2013). How do small business owners manage working capital in an emerging economy? A qualitative inquiry. *Qualitative Research in Accounting & Management*.10(12):127-143

[135] Owusu, J., Ismail, M. B., Osman, M. H. B. M., &Kuan, G. (2019). Financial literacy as a moderator linking financial resource availability and SME growth in Ghana. *Investment Management and Financial Innovations* 16(1):154-166. 10.21511/imfi.16(1).2019.12

[136] Ozatambgo, O. (2015). Financial record keeping in religious organizations: A case study of Catholic Church in Enugu Diocese. *https://www.projectreserve.com*

[137] Padachi, K. (2006.) Trends in working capital management and its impact on firms' performance: an analysis of Mauritian small manufacturing firms. *International Review of Business Research Papers*,.2 (2), 45 -58.

[138] Palacios, H. A. C., Carrillo, E. P. M. & Guzmán, G. M. (2016). The effects of the capital structure in performance: Empirical study on manufacturing SMEs of México. *Journal of Business & Economic Policy*, 3(1), 1-10.

[139] Pandey, I. (2004). Financial Management, (8th ed). Vikas publishing house Pvt Ltd, Delhi.

[140] Porwal, L. S. (2001). Accounting Theory, 3E.

[141] Raheman, A., & Nasr, M. (2007). Working capital management and profitability: Case of Pakistani firms. *International Review of Business Research Papers,3*(1), 279–300.

[142] Rahman, M. M., Uddin, M. N. & Ibrahim, S. (2015). Measuring the Relationship Between Working Capital Management and Profitability: Empirical Evidence from Bangladesh. Journal of Accounting and Finance, 5(8), pp. 120-132.

[143] Rathnasiri, U A. H.A. (2014). Selected Accounting and Financial Management Practices of Small and Medium Enterprises (SMEs) in Sri Lanka, Dissertation for M.Sc. Program DOI: 10.31357/fmscmst.2014.00345

[144] Rathnasiri, U. (2015). The Financial Management Practices of Small and Medium Enterprises in Sri Lanka. Global Journal of Contemporary Research in Accounting, Auditing and Business Ethics (GJCRA), *An Online International Research Journal*, 1(2), 379-399.

[145] Rathnasiri, U. A. H. A. (2014). Financial reporting practices of small and medium enterprises (SMEs) in Sri Lanka. *South East Asia Journal of Contemporary Business, Economics and Law*, 4(1), 15-23.

[146] Rauf, A. L. A. (2016). Financial management practices in Small and Medium Sized Enterprises: Empirical evidence from the District of Ampara in Sri Lanka. *International Journal of Economics, Business and Management Studies,* 3(3), pp. 117-126.

[147] Romney, M. B., Steinbart, P. J., & Cushing, B. E. (2015). *Accounting information systems*. Boston, MA: Pearson.

[148] Ross, S. A., Westerfield, R., & Jordan, B. D. (2008). Fundamentals of corporate finance. Tata McGraw-Hill Education. ninth edition. s11747-011-0278-x.

[149] Saeed, R. B. A., &Badar, R. (2013). Impact of capital structure on performance empirical evidence from sugar sector of Pakistan. *European Journal of Business and Management*, *5*(5), 78-86.

[150] Sai Krupakar, R. K., Avinash, R. N., Dhanunjay, N. P., Santosh, K. S., (2020). A Study on V2 Distribution Company. *International Journal Of Innovative Research In Technology. 6(10), 392-395*.

[151] Sajuyigbe, A. S., Adeyemi, A. Z. &Odebiyi, I. I. (2017). Financial Management Practices and Women Entrepreneurs Performance: An Empirical Investigation. *International Journal of Economics and Business Management.* 3 (1). 70-79.

[152] Salim, I. M., &Sulaiman, M. (2011). Organizational Learning, Innovation and Performance A Study of Malaysian Small and Medium Sized Enterprises. International Journal of Business and Management, 6(12), 118-126. doi: 10.5539/ijbm. v6n12p118

[153] Sallem, N. R. M., Nasir, N. E. M., Nori, W. M. N. W. M., &Kassim, C. K. H. C. K. (2017). Small and medium enterprises: Critical problems and possible solutions. *International Business Management*, 11, 47-52. doi:10.3923/ibm.2017.47.52

[154] Sarapaivanich, N. (2003). The Use of Financial Information in Financial Decisions of SMEs in Thailand, the Small Enterprise Association of Australia and New Zealand 16th Annual Conference. *Ballarat, Australia*, *28*.

[155] Schroeder, R. G., Clark, M. W., & Cathey, J. M. (2019). *Financial accounting theory and analysis: text and cases*. John Wiley & Sons.

[156] Sekaran, U. & Bougie, R. (2009). Research Method for Business: A skill Building Approach, Fifth Edition. John Wiley and Sons: Danvers, Great Britain.

[157] Selvanayaki, S., Sivakumara, S., Rohinia, A. &Manib, K. (2016). Financial Management Practices and Profitability of Modern Rice Milling Firms in Kangayam Cluster, Tamil Nadu. *Agricultural Economics Research Review*, *29*(2), pp.297-306.

[158] Semasinghe , D., Senanayake, M. & Banda , O. D. (2017). The effects of working capital management on profitability, liquidity,solvency and organic growth with special reference to SMEs: A review. *International Journal of Accounting & Business Finance*, 3(2), pp. 19- 50.

[159] Shahabi, A., Hosseinpour, S., &Soheila, Z. (2014). *An investigation into Accounting Practices of Small and Medium Enterprises of Tehran Province in Iran.Reef Resources Assessment and Management Technical Paper,* 40 (5), 285-295.

[160] Siaw, F. (2014). Effect of demand side factors on access to external finance by micro, small and medium manufacturing enterprises in Kumasi metropolis, Ghana. *Unpublished Phd Thesis, School of Business, Kenyata University, Kenya*.

[161] Sindani, M. N. (2019). The Moderating Effect of Financial Literacy on the Relationship between Accounts Receivable Management Practices and Growth of SMEs in Kenya. *Expert Journal of Finance*, *7*(1).

[162] Singh, S., &Janor, H. (2013). Determinants of SMEs Financing Pattern in India-A Rotated Factor Analysis Approach. *International Journal of Economics & Management*, *7*(2).

[163] Singh, V., & Sharma, S. K. (2016). Analyzing the moderating effects of respondent type and experience on the fuel efficiency improvement in air transport using structural equation modeling. *European Transport Research Review*, *8*(2), 12.

[164] Somathilake, H. M. D. N., &Pathirawasam, C. (2020). The Effect of Financial Management Practices on Performance of SMEs in Sri Lanka.*International Journal of Scientific Research and Management,* 08(05),1789-1803.

[165] Sooriyakumaran, L., Pathirawasam, C., &Thrikawala, S. S. (2020). Maintaining accounting records and profitability of SMEs: Evidence from Jaffna District in Sri Lanka. *International Journal of Engineering Science and Computing,* 10(***3).***

[166] Sooryasena, R. S. S., &Palihena, P. D. N. K. (2020). The effect of financial management practices on financial performance of small and medium enterprises: Special reference to Kurunegala Divisional Secretariat. *International Journal of Scientific Research and Management,* *8*(05), 1789–1803. https://doi.org/10.18535/ijsrm/v8i05.em05

[167] Sri Lanka Accounting standards for Small Medium sized entities (2012). Institute of Chartered Accountants of Sri Lanka : http://www.slaasc.lk/files/SLFRS%20for%20Smaller%20Entities_Attachment%20-%20SLFRS%20for%20Smaller%20Entities.pdf.

[168] Swarnapali, R.M.N.C. &Rathnayaka, A.R.N. (2016). Impact of Financial Management Practices on Financial Performance of SMEs in Sri Lanka: Evidence from Anuradhapura District. Proceedings of the Research Conference on Business Studies (RCBS-2016), Faculty of Business Studies, Vavuniya Campus of the University of Jaffna, Sri Lanka, Vavuniya, Sri Lanka, pp. 01-04.

[169] Tarhini, A. (2013). The effects of individual-level culture and demographic characteristics on e-learning acceptance in Lebanon and England: A structural equation modelling approach. *Available at SSRN 2725438*.

[170] Tauringana, V., &Afrifa, G. A. (2013). The relative importance of working capital management and its components to SMEs' profitability. *Journal of Small Business and Enterprise Development*. 20(3), 453 – 469.

[171] Tharindi, H. G. N., &Rathnayaka, R. M. C. L. K. (2016). Financial Management Practices and Performance of Small and Medium Enterprises in Sri Lanka.9th International Research Conference-KDU, Sri Lanka. http://ir.kdu.ac.lk/handle/345/1273

[172] Tharmini, T., &Lakshan, A. M. I. (2021). Impact of Financial Management Practices on Performance of Small and Medium Enterprises–Legitimacy Theory Perspectives. *Kelaniya Journal of Management*, *10*(1).

[173] The International Accounting Standards Board. May 2014. Available at: http://www.ifrs.org/Meetings/MeetingDocs/IASB/2014/May/AP10E-Conceptual%20Framework.pdf

Mahesh, J., Phan, D., & Tran-Nam, B. (2018). The history of accounting standard setting in an emerging transition economy. The case of Vietnam. *Accounting History*, 23, 379-406.doi:10.1177/1032373217745672

[174] Thevaruban, J. S. (2009). Small Scale Industries' and it's Financial

Problems in Srilanka. Journal of Asia Entrepreneurship and Sustainability, 5(2), 33.

[175] Thevrajah, K. (2015). Barriers of Failure of Small Business in Jaffna District: Conceptual Analysis, European Journal of Business and Management. 7(7), 400-402.

[176] Turyahebwa, A., Arthur, S., Aluonzi, B., &Byamukama, E. (2013). Financial Management Practices In Small And Medium Enterprises in Selected Districts In Western Uganda. *Research Journal of Finance and Accounting.* 4(2), 29- 35.

[177] Turyahebwa, A., Sunday, A., &Ssekajugo, D. (2013). Financial management practices and business performance of small and medium enterprises in western Uganda. *African journal of business management*, *7*(38), 3875-3885.

[178] Uduwaka, U. H. S. M., &Dedunu, H. H. (2019). The effect of financial management practices on financial performances of small and medium enterprises in Sri Lanka (with special reference to Gampaha district).8th Annual International Research Conference, South Eastern University, Sri Lanka.

[179] Vaikunthavasan, S., Velnampy, T., & Sivarajah, R. (2019). Exploring the problems and challenges of micro small and medium enterprises in Northern Province. *Business and Management Horizons*, *7*(1), 89-104.

[180] Vijayakumar, S. (2012). Growth and issues of small and medium enterprises in post conflict Jaffna Sri Lanka. *Economia Seria Management*, 16(1), 38-53.

[181] Wambua, P. M. & Koori, J. (2018). Investment Apprisal Techniques and financial performance of SMEs in Nirobi city coutry, Kenya. *International journal of current aspects in finance*,IV(II), 89-101.

[182] Waweru, C., & Ngugi, K. (2014). Influence of financial management practices on the performance of micro and small enterprises in Kenya. *European Journal of Business Management*, *1*(11), 141-161.

[183] Wembe, M. A. (2015). Effects of Working Capital Management on the Performance of Firms in Kenya: A Case Study of Kenya Ports Authority. *International Journal of Science and Research* (IJSR), 4(4), pp. 1124-1136.

[184] Wickramatilake R.M.D., (2018). Development of SMEs in Sri Lanka: Are we serious about SME classification?, e-paper, Wijeya Newspapers Ltd, 4 July,2018: https://www.ft.lk/columns/Development-of-SMEs-in-Sri-Lanka%E2%80%94Are-we-serious-about-SME-classification-/4-658337.

[185] Wijekoon , M. H. N. W. (2018). Towards the development of a financial reporting framework for Sri Lankan SMEs (Thesis, Doctor of Philosophy (PhD)). The University of Waikato, Hamilton, New Zealand. Retrieved from https://hdl.handle.net/10289/11810

[186] Wijekumara, J. M. N. (2019). Factors Affecting the Adoption of a Formal Accounting System in Small and Medium Enterprises with Special Reference to Anuradhapura District.*Proceedings of the 8th International Conference on Management and Economics – 2019* :http://ir.lib.ruh.ac.lk.

[187] Wijewardana, W. P. (2018). Factors affecting business success: Evidence on Small and Medium Enterprises. In *The 5th IBSM International Conference on Business, Management and Accounting* (pp. 19-21).

[188] Wire, W. C. (2015). Influence of working capital management practices on financial performance of small and medium manufacturing enterprises in Nairobi County, Kenya (Doctoral dissertation, JKUAT). http://hdl.handle.net/123456789/1866

[189] Wolmarans, H. P., &Meintjes, Q. (2015). Financial management practices in successful Small and Medium Enterprises (SMEs). *The southern African journal of entrepreneurship and small business management*, *7*(1), 88-116.

[190] Ye, J., &Kulathunga, K. M. M. C. B. (2019). How does financial literacy promote sustainability in SMEs? A developing country perspective. *Sustainability*, *11*(10), 2990.

[191] Yıldız, S., &Karakaş, A. (2012). Defining Methods and Criteria for Measuring Business Performance: A Comparative Research Between the Literature in Turkey and Foreign. *Procedia -Social and Behavioral Sciences*, 58, 1091-1102. doi: 10.1016/j. sbspro.2012.09.1090

[192] Zada, M., Yukun, C., & Zada, S. (2021). Effect of financial management practices on the development of small-to-medium size forest enterprises: insight from Pakistan. *GeoJournal*, *86*(3), 1073-1088.

[193] Zwiebel, J. (1996). Dynamic capital structure under managerial entrenchment. *The American economic review*, 1197-1215.