Second Annual International Undergraduate Finance Research Conference (IUFRC) - 2022

of

Sri Lanka Finance Association

PROCEEDINGS

"Value Creation through Sustainable Finance"

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Message from the President, Sri Lanka Finance Association

The IUFRC - 2022 marks the second year of the International Undergraduate Finance Research Conference of the Sri Lanka Finance Association. The purpose of this conference is to provide a venue for undergraduate students in finance and related fields to present their research to a broader audience. This conference is open to students from all universities in Sri Lanka and abroad and, as such, provides an excellent platform to present, discuss, and share student research in finance.

The theme for this year's conference "Value Creation through Sustainable Finance" is very timely and important. Sustainable finance involves creating long-term value while considering the environmental, social, and governance (ESG) factors in the financial decision-making process. This recognizes the importance of considering the impact of financial decisions on stakeholders including shareholders, creditors, employees, customers, supplies, communities, and governments. I commend the conference committee for choosing such a timely theme for the conference and the keynote address on "Market Manipulation and ESG Violations." I hope that the participants will have the opportunity to learn about and discuss research and ideas related to sustainable finance.

These conference proceedings provide an excellent repository of research on various topics in the area of finance and related disciplines. They represent a cross-section of high-quality intellectual outcomes of our students selected after a rigorous double-blind review process. These students have invested enormous time and effort under the supervision of highly trained and dedicated faculty members to produce high-quality research. I congratulate the students whose research papers were accepted for presentation at the conference and publication in the proceedings and thank their supervisors for supporting and mentoring students. I am sure readers will find this research interesting and useful. Further, I hope that the dissemination of research through the conference presentations and proceedings will benefit a wider audience of students, academics, practitioners, and policymakers which is the ultimate objective of organizing this conference.

I thank the Department of Business Finance of the Faculty of Management at the University of Peradeniya for providing the leadership to organize this year's conference on behalf of the Sri Lanka Finance Association. I want to express my sincere gratitude to the Conference Chair, Dr. (Mrs.) Sujeewa Kodithuwakku, Conference Secretary Ms. M. N. F. Nuskiya, and the entire national conference committee, reviewers, and session panelists for their unwavering dedication and splendid work. I am also very grateful to Prof. E. M. A. S. B. Ekanayake, the Dean of the Faculty of Management and the Vice president of the SLFA, for his excellent leadership and guidance throughout to make this conference a great success.

Professor Lalith P. Samarakoon
President
Sri Lanka Finance Association

Message from the Conference Chairperson

I am delighted and honored to send this message as the Chairperson of the Second Annual International Undergraduate Finance Research Conference (IUFRC) - 2022, which is organized by the Sri Lanka Finance Association (SLFA) in collaboration with the Department of Business Finance, Faculty of Management, University of Peradeniya.

This year has been more significant to us, as the Department of Business Finance, has been recommended and appointed as the hosting entity of this prestigious conference in the year 2022.

The theme of this year conference, "Value Creation through Sustainable Finance," was created to facilitate the undergraduates across the globe to discuss cutting-edge research areas in finance and to cascade their research findings effectively.

Therefore, this conference will provide valuable opportunities for the undergraduates to showcase their innovative research. I hope that this conference will allow the participants a productive understanding not only in aspiring for excellence in research but also in creating value through finance. Some of the underlying issues in value creation through sustainable finance will be covered in depth at our conference by our keynote speakers. I extend my heartfelt appreciation to the renowned speakers.

As the conference chair, I know that the success of the conference depends ultimately on many people, who have worked with us in planning and organizing the conference. I am amazed by the support extended by Prof. M. D. Lamawansa, the Vice Chancellor of the University of Peradeniya; Prof. E.M.A.S.B. Ekanayake, the Dean of the Faculty of Management, University of Peradeniya; and Prof. Lalith P. Samarakoon, the President of the SLFA.

In particular, I thank the organizing committee for their continuous effort and brilliant suggestions in organizing the conference. All recognition should go to the committee members who have all worked extremely hard on the details of important aspects of the conference programs. Especially, a note of appreciation to the academia for their thorough and timely reviewing of the papers too.

Most of all, I would like to thank you, the presenters, for enriching the conference- with your presence. I hope you will enjoy the content of the research and deliberation.

On behalf of the Conference Committee, we are looking forward to seeing you at the conference.

Thank you!

Dr. (Mrs.) Sujeewa Kodithuwakku
Conference Chair
Head, Department of Business Finance
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Summary of Keynote Address by Prof. Douglas Cumming

We conjecture four channels though which market manipulation gives rise to environmental, social, and governance (ESG) incidents. First, market manipulation enables corporate deception, which in turn facilitates ESG manipulation. As such, greenwashing and other violations are easier among stocks that have previously been manipulated. Second, there is contagion in misconduct whereby the presence of market manipulation engenders a view that ESG incidents are less important or impactful. Third, market manipulation hurts ability to fund ESG efforts as manipulation harms equity values and capital raising efforts. Fourth, market manipulation curtails staff that enable ESG efforts due to limited attention, distraction, short termism, and staff terminations. Based on an international sample covering 51 countries from 2007 to 2020, we find evidence consistent with the view that market manipulation gives rise to ESG incidents. The findings are robust to numerous checks, including propensity score matching, difference-in-differences, and consideration of regulatory changes, among other things.

Prof. Douglas Cumming
Keynote Speaker

Summary of Keynote Address by Mr. Nishan Fernando

Traditional finance focuses on financial return and regards the financial sector as separate from the society, which it is a part of and the environment, which it is embedded in. By contrast, sustainable finance considers financial, social, and environmental returns in aggregation. In this presentation I will examine elements of sustainable finance highlighting the move from the narrow shareholder focus to the broader stakeholder focus.

The presentation will be commenced with an explanation on the sustainability challenges that society is facing. These are classified into environment, social, sustainable development, and systems perspective.

On the environmental front, climate change, land degradation, biodiversity loss and depletion of natural resources are destabilizing the Earth system, threatening the planet's future livability. Next, poverty, hunger and lack of healthcare are signs that many people live below minimum social standards. Sustainable development means that current and future generations should have the resources they need, such as food, water, healthcare and energy, without stressing the Earth system. To guide the transformation towards a sustainable and inclusive economy, the United Nations has developed the 2030 Agenda for Sustainable Development, which will require behavioral change.

Why should finance contribute to sustainable development? The main task of the financial system is to allocate funding to its most productive use. Finance can play a leading role in allocating investment to sustainable companies and projects and thus accelerate the transition to a low-carbon, circular economy. Sustainable finance considers how finance (investing and lending) interacts with economic, social, and environmental issues.

Moreover, investors can exert influence over the companies in which they invest. Long-term investors can thus steer companies towards sustainable business practices. Finally, finance is good at pricing risk for valuation purposes and can thus help to deal with the inherent uncertainty about environmental issues, such as the impact of carbon emissions on climate change.

Finance and sustainability both look to the future. The focus is gradually shifting from short-term profit towards long-term value creation. Firms traditionally adopt the shareholder model, with profit maximization as the main goal. The first step in sustainable finance is for financial institutions to restrict investing in companies involved in activities with very negative impacts on health, international relations or the environment and wildlife/natural world.

Another key development is the move from risk to opportunity. While financial firms have started to avoid unsustainable companies from a risk perspective the frontrunners are now increasingly investing in sustainable companies and projects to create value for the wider community.

Finally, we look at the obstacles to the adoption of sustainable finance, including short-termism and failure to act collectively. To address the shortfall in corporate efforts, governments should ultimately translate the aggregate long-term social and environmental preferences of their citizens into appropriate regulation and taxation. Finance is about anticipating such policies and incorporating expectations into today's valuations for investment decisions.

Mr. Nishan Fernando
Keynote Speaker

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Content

Impact of Psychological Factors on Investment Decision-Making and the Performance of Investments: Evidence from Colombo Stock Exchange

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The study was conducted to investigate the impact of an individual's investment behavior on investment decision-making and performance, based on CSE investors in Colombo District, Sri Lanka. The research was conducted positively, and deductive reasoning was used as the research approach. Data collection was conducted using survey approach with a cross-sectional time frame. The data of CSE investors in the Colombo District was collected by issuing a structured questionnaire to 198 selected investors. Multiple linear, simple linear regression and correlation analyses were performed. Heuristics, Prospect Factors, Market Factors, Herding Factors, Familiarity Bias, and Self-Attribution Bias were identified as the behavioral factors. Heuristic factors, self-attribution bias, market factors, and prospect variable has a significantly positive impact on investment decision-making. Investors rely on readily accessible and familiar sources of information. Investors are often tempted to avoid losses after a loss; when profits are made, they tend to go for risky investments. Investors have confidence in their decisions. Herding variables have a significant negative impact on investment decision-making. Investors rely on the decisions of other investors when making decisions. Familiarity bias has no significant relationship with investment decision-making. Recommendations are specified targeting future and current investors and executives to promote investment in the Colombo Stock Market.

Keywords: *Behavior Finance, Investors, Investment Decision Making, Investment Performance.*

Impact of Dividend Policy and Firm Leverage on Shareholders' Wealth: Evidence from Colombo Stock Exchange

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This study examines the impact of dividend policy on shareholders' wealth under the level of leverage for the companies listed in the Colombo Stock Exchange (CSE) of Sri Lanka. Even more than half a century, several research attempts have not yet found an exact impact and relationship. In order to maximize the shareholders' wealth, it is necessary for a company to understand the nature of the relationship and the impact between dividend policy and shareholders' wealth. To achieve the desired objectives, the quantitative research design is employed. With the help of previous literature, the variables used for the study are dividend per share, dividend payout ratio, earnings per share and debt to equity ratio by representing dividend policy which represents two proxies, shareholders' wealth and leverage, respectively. Twenty companies listed in diversified financial and food, beverages, and tobacco sectors were selected based on random sampling technique, and five years of data were used (2016-2020). Correlation and regression analysis harness for the analysis of data, and finally, it can conclude that there is a significant impact of dividend policy on shareholders' wealth and the regression analysis reveals that the dividend policy effect is more pronounced and significant in the diversified financial sector than food, beverages, and tobacco sector. In addition, the study concludes that dividends per share highly and positively influence earnings per share. Further, the results reveal that leverage has a negative impact on dividend policy.

Keywords: *Colombo Stock Exchange**,** Dividend Per Share, Dividend Policy, Leverage, Shareholders' Wealth.*

Determinants of Non-Performing Loans in Sri Lanka: Evidence from Licensed Commercial Banks

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High level of non-performing loans can lead to inefficient financial intermediation and affect the economy as well. Although banks can't eliminate non-performing loans, when dealing with the lending process, it is important to manage the non-performing loan level within the financial system. Hence, it is vital to identify the determinants of these non-performing loans. This study has identified ten significant determinants through literature review and analyzed their relationship and impact over nonperforming loans. According to the empirical evidence, under bank specific factors five variables have been identified including size of the bank, loan growth, return on assets, net interest margin and capital adequacy ratio. Macroeconomic factors include interest rate, export's growth, gross domestic production, inflation growth and unemployment. This study used quantitative approach, gathered secondary data and the selected sample consists of 10 licensed commercial banks, which are considered to be listed domestic banks in Sri Lanka. The study employed panel data for the period of 2011-2020 and EViews 8 statistical software package has been used to analyze the data. The relationship and impact were measured by correlation and regression analysis. This research has identified bank size and return on assets under micro economic variables and export's growth and gross domestic production under macroeconomic variables as the significant determinants of nonperforming loans in Licensed commercial banks of Sri Lanka and other variables such as loan growth, net interest margin, capital adequacy ratio, interest rate, inflation growth and unemployment were not significant. Hence, Licensed Commercial banks can pay more attention over bank size, return on assets, export's growth and gross domestic production and formulate strategies to maintain their non-performing loan ratio at an acceptable level that will ensure the stability of the banking system.

Keywords: *Credit Risk, Licensed Commercial Banks, Macroeconomic Variables, Microeconomic Variables, Nonperforming Loans.*

Impact of Dividend Policy on Stock Price Volatility in Colombo Stock Exchange

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This study investigates the relationship between the dividend policy and the stock price volatility of the listed firms on the Colombo Stock Exchange, Sri Lanka. The research problem led to the issue of whether there is an individual impact of the dividend payout ratio, dividend yield, size of the firm and asset growth of the company on the stock price volatility.

Data for the study was collected from the annual reports of the listed companies for the ten years period from 2011 to 2020. The study has identified stock price volatility as the dependent variable, the dividend payout ratio and the dividend yield as independent variables, and the size of the firm and asset growth as the control variables.

Since the traditional linear regression models lead to biased estimators, panel regression is used since it is a powerful way to control unobserved, independent on a dependent variable and the panel regression results indicate that there is a relationship between the Dividend policy and the stock price volatility. The findings of the study stated that the Dividend payout ratio has a positive impact, dividend yield has negative impact, the size of the firm has negative impact, and the asset growth has positive impact on the stock price volatility. Further, there is a weak relationship between dividend payout ratio and dividend yield and significant relationship between the size of the firm and the asset growth of the company. Derived from the above the conclusion is that there is a relationship between the dividend policy and the stock price volatility.

***Keywords**: Dividend Payout Ratio, Dividend Yield, Multiple Linear Regression Model, Stock Price Volatility, Unit root test.*

The Impact of Cash Conversion Cycle on Firms' Profitability: With Special Reference to Food, Beverage & Tobacco Companies in Sri Lanka

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This study examines the impact of the cash conversion cycle (CCC) on firms' profitability of listed Food, Beverage and Tobacco Companies in Sri Lanka. CCC is used as the independent variable and the properties namely, Receivable Conversion Period (RCP), Payment Conversion Period (PCP), and Inventory Conversion Period (ICP) have been used to measure the CCC. Firms' profitability is measured through return on asset (ROA) and return on equity (ROE). Further, this study used debt ratio and firm size as control variables. The study employed data collected from 10 companies listed in the Colombo Stock Exchange (CSE) under the Food, Beverage and Tobacco industry over eleven years from 2011 to 2021. Panel data regression was used to analyze the data and the study finds that CCC is negatively and significantly impacted to the profitability measure of ROA and ROE. The debt ratio of sample companies during the period have an insignificant negative and significant negative impact on ROA and ROE. Further, firm size has an insignificant positive impact on ROA while a negative impact on ROE. Thus, Food, Beverage and Tobacco companies can increase profitability by maintaining shorter CCC. The findings of the study will be useful for managers and policymakers to ensure efficient CCC at Food, Beverage and Tobacco companies in Sri Lanka.

Keywords: *Cash Conversion Cycle, Food, Beverage and Tobacco Companies Profitability, Return on Assets, Return on Equity.*

Impact of Macroeconomic Factors on Capital Structure: A Study on Beverage, Food and Tobacco Companies listed in Colombo Stock Exchange

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With the rapid development of modern market economies, to safeguard comprehensive competitiveness, companies adjust their capital structure based on the external and internal environments. Thus, in selection of companies' financing policies, especially the debt decisions, the macroeconomic conditions will be very critical. Hence, the purpose of this study is to examine the effects of macroeconomic conditions on the capital structure decisions of Beverage, Food, and Tobacco companies listed in the Colombo Stock Exchange (CSE). A panel data covering a period of 10 years from 2011 to 2020 for 20 listed Beverage, Food, and Tobacco companies in CSE was used, while fixed and random effects models were used to analyze the data. The empirical results demonstrated that overall macroeconomic conditions have significant effects in determining the capital structure decisions of the Beverage, Food, and Tobacco firms listed in Sri Lanka. The banking sector development is found to be significant in determining the capital structure decisions of Sri Lankan Beverage, Food and Tobacco companies, while results further depicted that the development of the stock market is insignificant in the capital structure choice of the Sri Lankan Beverage, Food and Tobacco companies. Moreover, GDP growth rate and inflation are found to be insignificant in determining the capital structure choice of the Sri Lankan Beverage, Food, and Tobacco companies. Therefore, the aim of this study is to fill the research gap by conducting research the impact of macroeconomic factors on the corporate capital structure of Beverage, Food and Tobacco companies listed in CSE. The result of this study could be very important and useful for making optimum capital structure decisions.

Keywords: *Beverage, Food, and Tobacco Companies, Capital Structure, Colombo Stock Exchange, Macroeconomic Factors.*

Impact of Corporate Governance on Financial Leverage: Evidence from Listed Beverage, Food and Tobacco Companies in Sri Lanka

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The aim of this study is to investigate the impact of corporate governance on financial leverage of listed Beverage, Food & Tobacco companies in Sri Lanka. For the purpose of this study, forty Beverage, Food & Tobacco companies listed in Colombo Stock Exchange (CSE) during the period of 2016 to 2020 were selected as the sample of the study. The relationship between corporate governance and financial leverage was tested by Pearson correlation and multiple regression analysis in details. Based on the presented data and data analysis, findings are identified. In this research, Board size, board composition, audit committee, board meeting and board diversity are used to measure the corporate governance whereas long term debt to total asset and total debt to equity are used to measure the financial leverage. Then it was analyzed how these impact on financial leverage by using statistical tools. The result reveals that the audit committee significantly impact on financial leverage. In contrast, board size, board meeting and board diversity insignificantly impact on long term debt to total asset. Further, this study found that the board composition significantly impacts on total debt to equity. In contrast, board size, board meeting, audit committee and board diversity insignificantly impact on total debt to equity. This research contributes to the literature by illuminating the significant links between some corporate governance measures and financial leverage of listed beverage food & tobacco companies in Sri Lanka and the study provides useful recommendations for policy direction and management of the beverage sector firms. The empirical results of this study provide support to corporate managers in establishing an optimal capital structure and to regulatory authorities for enacting laws and developing institutional support to make corporate governance mechanisms work more effectively in the country.

Keywords: *Audit Committee, Board Composition, Board Size, Long Term Debt to Total Asset, Total Debt to Equity.*

Macroeconomic Variables and Stock Market Performance: Evidence from Sri Lanka

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Macro-economic variables are the key factors that affect the stock market performance of an economy. Therefore, the main objective of this study is to examine the relationship between macro-economic variables and stock market performance within Sri Lanka. This study uses quarterly data collected from the annual report of the Central bank of Sri Lanka and Colombo Stock Exchange report for the period from 1996 to 2019. Exchange rate, inflation rate, interest rate, money supply and Gross Domestic Product (GDP) are used in this study as independent variables. All Share Price Index (ASPI) is used to measure stock market performance that is the dependent variable. Auto Regressive Distributed Lag (ARDL) bounds test is used to test the long run and short run relationships between dependent and independent variables. The results from the data analysis reveal that there is a negative significant impact of interest rate and inflation rate on stock market performance while Exchange Rate and GDP have positive significant impact on stock market performance in long run. Further, Exchange Rate and Money supply have positive significant relationship on stock market performance in short run. No serial correlation is found among variables by employing Breusch-Godfrey LM test. Finally, normality of the data and stability of the model is examined through normality- Jarque-Bera test and CUSUM test. The result of this study gives understanding about the stock market performance according with the changes in macro-economic variables. From this research study investors, policy makers and government can get some insights into the stock market performance and this help to them take effective decisions on investments and policy making decisions.

Keywords: *ARDL Bound Test, Macroeconomic Variables, Stock Market Performance.*

Effect of Budgetary Control on Financial Performance of Manufacturing Industry in Hambanthota District, Sri Lanka

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Budgetary control on financial performances has become an important issue for many manufacturing companies. Effective budget control system, budgetary planning, monitoring and control, participative budgeting, and budget committee are the variables taken into consideration on financial performance. This research study aims to examine the impact of the budgetary control on the financial performances of manufacturing companies in the Hambanthota District. This study employs a descriptive research design. It is based on primary data. To collect data, a structured questionnaire was issued to 245 manufacturing companies in the Hambanthota District, representing all ten manufacturing sectors. The data was analyzed using descriptive analysis, correlation analysis, and multiple regression analysis. Finally, the results revealed that the coefficient of determination for all of the variables analyzed is 0.778. It was discovered that budgetary control and the financial performance of the manufacturing companies in Hambanthota District has a strong significant relationship. The results indicated that there is a significant impact of the effective budget control system, budgetary planning, monitoring and control, participatory budgeting, and budget committee on financial performance of the manufacturing industry in Hambanthota District. The results of this research can be used to expand and deepen the implementation of concepts of budgetary control in practice.

Keywords: *Budget Committee, Budgetary Planning, Monitoring and Control, Effective Budgeting Control System, Financial Performance, Participative Budgeting.*

The Impact of Financial Management Performance on the Financial Performance of the Listed Companies in Sri Lanka

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The main purpose of this study was to investigate the impact of financial management performance on the financial performance of the listed companies in Sri Lanka. Financial Performance was measured by the percentage of Return on Assets (ROA). Inventory Management Performance, Receivable Management Performance, Payables Management Performance, Liquidity Management Performance, Long-term Solvency Management Performance, and Non-current Assets Management Performance were assumed as the independent variables that indicate the concept of Financial Management Performance. The Inventory Turnover Ratio (ITO), Debtor Turnover Ratio (DTO), Creditor Turnover Ratio (CTO), Current Ratio (CR), Long-Term Financial Investment Ratio (LTFIR), and Total Assets Turnover Ratio (TATO) were used to measure the respective independent variables. The study used secondary sources to collect data from the audited annual financial reports for the financial year 2019/2020. A stratified random sampling method was applied to how many companies would be selected from one sector. Data were composed from a sample of 100 listed companies representing all the sectors, excluding Banking, Insurance, and Diversified Financials. Descriptive analysis, correlation analysis, simple regression, multiple regression, and One-Way ANOVA analysis techniques were used to examine the relationship between the variables. The regression analysis indicated that 70% of the variance in the ROA was explained by the six independent variables, and three independent variables, CTO, CR, and LTFIR, have a significant impact on the ROA, while the other three variables, DTO, ITO, TATO, have an insignificant negative and positive impact on the ROA. This study, therefore, recommends that companies listed in CSE should pay more attention to Payable Management, Liquidity Management, and Long-term Financial Investments Management to improve the financial performance of their firms.

Keywords: *Descriptive Analysis. Financial Management Performance, Financial Performance, Listed Companies.*

Corporate Governance Practices and Financing Decisions: An Empirical Evidence from Listed Companies in Sri Lanka

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One of the most contentious areas of corporate finance theory is the organization's financing decision. The agency theory states that the financing decision helps resolve conflicts of interest between shareholders and managers. The purpose of this study is to examine the impact of corporate governance practices on the financing decisions of listed companies in Sri Lanka. To assess the level of corporate governance, the current study constructs six dimensions, such as board size, board composition, CEO duality, board meeting, board gender diversity, and audit committee size. The long-term debt to total asset ratio is used as a proxy for financing decisions. Firm size is considered as the control variable in this study. Using the 100 companies from the sectors of capital goods, food, beverage, & tobacco, consumer services and materials for the period of 2016 to 2020, the effect of corporate governance practices on financing decisions is assessed. The results from panel data regressions reveal that the audit committee has a positive impact on financing decisions. Other corporate governance variables namely board composition, CEO duality, board meetings and board size do not appear to have a substantial influence on financing decisions. The findings are useful to practitioners and regulators interested in understanding the impact of corporate governance practices on financing decisions.

Keywords: *Board Gender Diversity, Board Size, CEO Duality, Corporate Governance, Financing decisions.*

The Impact of Board Characteristics on Sustainability Reporting of Listed Companies in Sri Lanka

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The purpose of the study is to identify the effect of board characteristics on the level of sustainability reporting of listed companies in Sri Lanka. The study is focused to examine the elements of board characteristics that have a negative or positive impact on the level of sustainability reporting. A sample of 100 companies was taken from the Colombo Stock Exchange using a stratified random sampling method, representing practically all the business sectors. The data were gathered from the 2019/2020 annual reports. The research was based on theories of agency theory, stakeholder theory, resource dependence theory, and legitimacy theory.
The study employed a quantitative research approach and uses cross-sectional data analysis. Further, collected data were analyzed by using the SPSS statistical package for interpreting and obtaining conclusions. Univariate analysis was used to find out the values for the mean, standard deviation minimum, and maximum for the variables. Bivariate analysis was used to find out the relationship of board characteristics on the level of sustainability reporting of listed companies in Sri Lanka. Regression analysis was used to find out the effect of board characteristics on the level of sustainability reporting of listed companies in Sri Lanka.
Based on the correlation analysis, the study determines that there is a moderate positive relationship between board size, board independence, female directors of the boards, CEO duality, board ethnicity and the level of sustainability reporting. Based on the regression findings, the study concludes that board size, board independence, female directors of the boards, and CEO duality have a significant positive impact on the level of sustainability reporting.

Keywords: *Board Characteristics, Corporate Governance, GRI Guidelines, Sustainability Reporting.*

The Impact of COVID-19 Pandemic on Management Accounting Practices of the Listed Companies in Sri Lanka

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This study investigates the impact of the Covid-19 pandemic on management accounting practices (MAPs) of the listed companies in Sri Lanka. MAPs measures using six dimensions namely Cost Transformation and Management (CTM), Management and Budgetary Control (MBC), Strategic Analysis (SA), Working Capital Management (WCM), Performance Evaluation (PE), and Information for Making (IDM). A questionnaire was used as the method of data collection, which is conducted among managerial level employees of listed companies. Questionnaires are distributed among 172 companies listed in the CSE are selected from different industry groups and 155 responses are analyzed using Univariate Analysis, Wilcoxon Signed-Rank Test through SPSS analytical software.

The study findings indicate that there is a moderate level of applied of MBC, WCM, PE, and IDM and there is a high level of applied of CTM and SA by listed companies during the Covid-19 pandemic.The result showed that the Covid-19 pandemic negatively impact MBC, WCM, PE, and IDM practices and there is no significant impact of the Covid-19 pandemic on CTM and SA practices. The study recommends that listed companies in Sri Lanka should improve the application of management accounting practices more widely to overcome the impact of Covid-19 andfirms should establish strategies for cost reduction which is important to gain a competitive advantage over the competitors. Firms must encompass a procedure to train their staff to keep them updated on Management Accounting Practices of contemporary times and technological advancements.

***Keywords**: COVID -19 Pandemic, Management Accounting Practices, Listed Companies.*

Financial Development and Environmental Quality: Evidence from Sri Lankan Perspective

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Environmental quality is highly a debated matter in the modern era and determinants of environmental quality are highly tested in both developed and developing contexts. However, this study links financial development and ecological quality in the Sri Lankan context. This study aims to examine the impact of financial development in Sri Lanka over the period from 1992 to 2021. To enhance the objectives, the Autoregressive Distributive Lag approach is employed with proxies of stock market development, banking sector development, economic growth, trade openness, and energy consumption. Study findings emphasized that financial development does not have any impact on environmental quality in long-rum while economic growth and energy consumption have a significant impact. However, stock market development has a significant impact on ecological quality in the short run which emphasizes the role of the stock market in determining the environmental quality in the short run is more significant than the banking sector's role. Finally, the study findings recommend all stock market investors reassess their portfolios before making investment decisions for mitigating environmental risk and need to promote green technologies within the country for enhancing environmental quality.

Keywords: *Banking Sector Development, Environmental Quality, Financial Development, Stock Market Development.*

Factors Influencing on E-Tax Filling Adoption of Individuals in Sri Lanka

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E-filing refers to the efficient completion of tax returns through online. The concept of electronically filling out tax returns using the internet was launched in 2014 as a part of the Sri Lankan government's e-governance strategy. There is a dearth of study in the context of Sri Lanka. Hence, this study investigated the factors that influence the E-tax filing adoption of individuals in Sri Lanka. A deductive approach was primarily utilized in this study. The researcher collected data from 201 individual tax payers in Sri Lanka and a questionnaire is used as the data collecting technique. Descriptive statistics, correlation analysis, and regression analysis are used to analyze the data. Additionally, perceived usefulness, perceived ease of use, perceived risk, personal innovativeness, self-efficacy, and facilitating conditions are significant factors in the adoption of E-tax filling. According to the correlation analysis, that result proves that perceived usefulness, perceived ease of use, perceived risk, facilitating condition and self-efficacy have a significant relationship with intention and personal innovativeness has no significant relationship with intention. In addition to that multiple linear regression analysis has confirmed that the results for each dimension, the perceived usefulness, perceived ease of use, perceived risk, and facilitating condition have an impact on intention and personal innovativeness and self-efficacy have not impacted the adoption of the E-tax filing system in Sri Lanka. Finally, the intellectual and practical implications of these discoveries are examined.

Keywords: *E-tax Filling, Perceived Risk, Perceived Usefulness, Perceived Ease of Use, Theory of Planned Behavior.*

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