

Impact of Computerized Accounting System on Quality Financial Reporting Performance among SMEs: Special Reference to Kandy District, Sri Lanka

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Abstract

The study examines the impact of a computerized accounting system on quality financial reporting performance among SMEs in the Kandy District. Adopting a computer-based accounting system, type of computerized accounting software usage, safety, quality, convenience of financial reporting and analysis, and financial statements process by computerized accounting system were considered as the proxies to measure the computerized accounting system. Relevance, faithful representation, understandability, comparability, and timeliness were considered to measure the quality of financial reporting. The primary data were gathered from the 100 respondents of small and medium enterprises in the Kandy district. A stratified sampling method was used in the study to select the sample from the population. In order to investigate the impact of the independent variable on the dependent variable, multiple regression analyses were carried out. The findings of this study indicated that except for the Adoption of a Computer-Based Accounting System, the remaining proxies significantly impact the quality of financial reporting performance among SMEs. This research will contribute to the existing body of knowledge by validating the findings of previous studies and providing insights to practitioners on the importance of computerized accounting systems among SMEs.

Keywords: *computerized accounting system, performance, quality financial reporting*