IMPACT OF QUALITY OF COMPUTERIZED ACCOUNTING SYSTEM ON QUALITY OF FINANCIAL REPORTING IN SMALL AND MEDIUM ENTERPRISES IN KURUNEGALA DISTRICT

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ABSTRACT

The objective of this study is to determine the Impact of Quality of Computerized Accounting Systems on the quality of financial reporting of SME's in Kurunegala district. Conceptual model is developed based on reviewing literature. The study variables consist of both dependent variable and independent variable, with Internal Control, Automated Data Processing, Relational Database independent variable and Quality of Financial Reporting being the dependent variable. Researcher has included variables of the Quality of Computerized Accounting System as Internal Control, Automated Data Processing, Relational Database, Automated Reporting and Enhancing Technologies

Stratified random sampling technique is used in this research based on the 360 of sample SME's categorized by the each division. A questionnaire is designed using Five Point Likert Scales and distributed SME's owners in Kurunegala District. Data collected has been analyzed using univariate, bivariate and multivariate analyses.

Based on the results of the study, it concludes that the Quality of Computerized Accounting System and Quality of Financial Reporting are high level in SME's in Kurunegala District. The results showed that there is a significant positive relationship between QCAS and QFR and also there is significant impact QCAS and QFR in SME's in Kurunegala District.

As a result of this research, a researcher recommend that Automated Data Processing is the most impact dimension among other for quality of financial reporting. So SME's must be maintain their Quality automated reporting.

Keywords: *Quality of Computerized Accounting System, Internal Control, Automated Data Processing, Relational Database, Automated Reporting, Enhancing Technologies, Quality of Financial Reporting.*

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