

**THE EVALUATION OF FINANCIAL MANAGEMENT
PRACTICES IN THE BEVERAGE, FOOD AND TOBACCO
SECTOR IN SRI LANKA**



By

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ABSTRACT

As a developing country business enterprises play major role in economy in Sri Lanka. Therefore sound financial management should be maintain by the organization in order to increase the performance of the company as well as achieve their corporate goals and objectives. The Purpose of this study is to measure the level of financial management practices in Beverage, Food and Tobacco sector in Sri Lanka. Therefore the study was formulated to evaluate financial management practices because the lack of investigation of level of financial management practices in developing nations. Extent of financial management practices were measured by using three variable as working capital management practices, financial reporting and analyzing practices and financial planning and controlling practices. Whole population were considered as a sample in this study and data were collected using questionnaire from 100 accounting staff members represented only forty two (42) companies listed under beverage, food and tobacco sector in Sri Lanka.

The data were analyzed by descriptive statistics and ANOVA. According to the descriptive analysis, high level usage of financial management practices in beverage, food and tobacco sector in Sri Lanka. Apart from that each of the variables were used high level in beverage, food and tobacco companies in Sri Lanka. Based on the result of the ANOVA the usage level of tools and techniques in financial management practices were not varied by company characteristics namely operational market of the company and age of the company in beverage, food and tobacco sector. Therefore the overall sector have to keep and improve that result for being a leading sector in Sri Lanka. But there were few number of the companies have moderate and low level usage of financial management practices. As a sector if they can be recognize their needs and develop a framework for financial management practices it may be effective for using financial management practices and increase the performance of the sector as a whole. However the result of the study will helpful to identify the key areas that have to be increase and help to shareholders and other stakeholders to make decision on their investment in beverage, food and tobacco sector companies in Sri Lanka.

Keywords: *Financial Management Practices, Working Capital Management Practices, Financial Reporting and Analyzing Practices, Financial Planning and Controlling Practice*

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