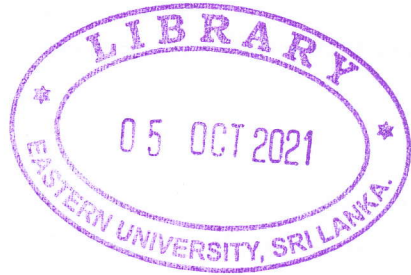


**FACTORS INFLUENCING ON DEGREE OF CREDIT ACCESS
AMONG SME'S IN BADULLA DISTRICT**



By

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ABSTRACT

In present growth of Small and Medium Enterprises (SMEs) sector is considered as tremendous factors when achieving the sustainable economic growth of any country. Every economy consists with both formal and informal financing sector. Small and Medium Enterprises are better able to finance their ventures considering security and low risk. When developing this vital sector, it is needed sufficient finance. Although, there are two approaches available to obtain finance, most of the SMEs are failed due to lack of finance. Hence this study is to identify the impact of three variables of firm, financial and entrepreneurial characteristics on credit access among SMEs' in Badulla district.

The study accompanies with Quantitative research approach. Primary data as well as secondary data had been practiced by this study. Structured questionnaire was used as the method of data collection and questionnaire consist with two parts as personal information of the respondent and research information. Questionnaire included 25 questions with five Likert scale ranging from strongly disagree to strongly agree. Credit accessibility with respect to independent variables was made up using 200 SMEs. Stratified proportionate random sampling technique is used as sampling method. It has been considered Badulla district as research area. Collected data were analyzed using SPSS 22.0 analysis. The data were analyzed using descriptive statistics, correlation, One-way ANOVA and regression analysis.

The results from the study reveal that entrepreneurial characteristics of SMEs highly affected on credit accessibility. It has been tries to identify credit access has high level. Furthermore, firm characteristics and entrepreneurial characteristics has strong positive relationship with credit accessibility. Small in firm size, firm area has been stated recently and located in rural areas it is very difficult to access to credit for SMEs' owners. Having a certain education background with training and enough skills development on the field of SMEs' owners supports to access credit easily. Also there is gender performance and institutions are more willing to women entrepreneur rather than men when granting loan. Financial characteristics has moderate positive relationship with credit accessibility. SMEs owners easily can access credit when they have an ability to provide enough collateral and quality financial statements.

Keywords: *Small Medium Enterprises, Credit Accessibility, Firm Characteristics, Financial Characteristics, Entrepreneurial Characteristics.*

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