

**IMPACT OF MICRO FINANCE SERVICES ON THE
PERFORMANCE OF SMALL SCALE BUSINESSES IN JAFFNA
DISTRICT**

By

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ABSTRACT

This research study investigated the impact of Micro finance services on the performance of Small scale businesses (SSBs) in Jaffna district. The functioning of micro finance institution or micro finance services in the northern part of Sri Lanka was vulnerable due to three decades of internal conflict and subsequent postwar. Therefore Small scale businesses owners face so many difficulties to get finance and other services. The study examined how micro finance services such as loan, saving, training and advisory services impact on the survival, growth, productivity and performance of Small scale businesses in Jaffna district.

Data was collected through questionnaire from 100 small scale businesses respondents, Based on the random sampling method. The reliability of the instrument was measured using Cronbach's alpha which gave a result of 0.7. The findings revealed that micro finance services enhance survival of small scale businesses (SSBs) but not sufficient for growth and expansion of such small scale businesses. The result also revealed that microfinance services have strong positive impact on performance of small scale businesses. 53% of small scale businesses owners have high level businesses performance therefore Micro finance services (MFSs) are deeply involved with small scale businesses (SSBs). MFS shows significant relationship with businesses performance. Loan, saving and training and advisory services shows a significant relationship with businesses performance. It is recommended that appropriate training and advisory services should be provide to small scale businesses owners develop skills and monitor their businesses in the technological and competitive businesses.

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