

**A STUDY ON THE IMPACT OF TECHNOLOGY READINESS
ON USAGE OF COMPUTER BASED ACCOUNTING
PRACTICES AMONG THE SMALL SCALE BUSINESSES IN
NUWARA ELIYA DISTRICT**

By

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ABSTRACT

In most parts of developed countries, it is almost impossible to function as an accountant without requisite Information Technology skills. Although the organizations in both developing and developed economies are arguably and equally affected by the advent of the computerized accounting practices. As introducing new technologies, the manual accounting systems have become gradually inadequate for decision needs.

Without doubt, small businesses represent the flag-sheep of any economic growth in the world. Hence, the combination of Information Technology in the strategic success of small businesses in current economies makes the application of computerized accounting systems necessary as it determines their ultimate survival. Small businesses must continually evolve qualitative strategies, plan and control activities effectively, and take decisions aimed at optimizing the use of resources. Therefore Computer based Accounting Systems act as a driver to ensure effective and efficient information flow in the recording, processing, and analysis of financial data. Effective and efficient information flow enhances successful decision-making, thereby increasing the firm's ability to achieve corporate and business strategy objectives.

In this context, Usage of Computer based Accounting System is an essential requirement for small scale businesses in highly competitive business environment. The objectives of the study is to evaluate level of Technology Readiness of small business owners in the Nuwara Eliya district, to identify the level of the Usage of Computer based Accounting Practices among small scale businesses in Nuwara Eliya district, to find out the relationship between Technology Readiness and the Usage of Computer based Accounting Practices among the small scale businesses in Nuwara Eliya district, to explore the impact of Technology Readiness of small business owners on their Usage of Computer based Accounting Practices among small scale businesses in Nuwara Eliya district.

This study empirically investigated influence of Technology Readiness on the Usage of Computer based Accounting Systems among the small scale businesses in Nuwara Eliya district. The study was conducted among the sample of hundred small business owners who were randomly selected from Nuwara Eliya district. Data were collected through questionnaires and analyzed using the software Statistical Package of Social Science,

version 16.0. The data analysis included the Univariate analysis (descriptive), Cross Tabulation analysis and Bivariate analysis.

Considering the variable of Usage of Computer based Accounting Systems majority of the respondents are in low level of Usage of Computer based Accounting Practices. Also the Overall Usage of Computer Based Accounting Practices among small scale businesses in Nuwara Eliya district is in low level. When considering the Technology Readiness majority of respondents highly influence by the variable of Technology. However the overall Technology Readiness level among the small business owners is in high level. There is a weak positive, but significant relationship is between Technology Readiness and the Usage of Computer based Accounting Practices among the small scale business in Nuwara Eliya district. The Technology Readiness accounted for considerable amount of the variance in the Usage of Computer based Accounting Practices among small businesses. Hence, this research has proved that Technology Readiness of small business owners shall be considered as a strategic tool and major predictor of Usage of Computer based Accounting Systems among small businesses in Nuwara Eliya district. These findings will be useful when developing and implementing Technology related strategies in future to further improve the Usage of Computer based Accounting Systems among small businesses in Nuwara Eliya district.

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