

**ATTITUDES OF BUSINESS OWNERS TOWARDS  
INFORMAL FINANCE AND ITS IMPACT ON THEIR  
BUSINESS PERFORMANCE  
IN KANDY DISTRICT**

**RAJENDRAN VISHVANATHAN**

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**DEPARTMENT OF COMMERCE  
FACULTY OF COMMERCE AND MANAGEMENT  
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## ABSTRACT

In Knady district most of the businesses have a low survival rate as entrepreneurs start businesses but are unable to turn them into sustainable. Most of the new business in Kandy does not move from the first stage (existence) of growth to other stages such as survival, success, take off and resource maturity. As such, it is believed that many of these businesses do not survive in their first years of operation and thus, do not provide their benefits to society. A large percentage of Sri Lankan populations living rural areas, which consist of more than 75 percent of all over the island's population. Small industries play a major role in the rural areas for creating an economic environment in which large firms flourish and contribute to export earnings. So, it is important to encourage the entrepreneurs in rural areas of Sri Lanka to contribute for the global economic growth and get its share of the benefits. businesses have been played an integral part and impaortant part in the business and service market in Kandy District.

The purpose of this research is to reflect the "Attitudes of business owners towards informal finance and their impact on business performance' special reference from Kandy Ddistrict. In this study non probability convenience sampling technique was used; data were collected by questionnaire from 100 business owners from Kandy district. Therefore 100 questionnaires were received and 100 questionnaires were considered in the study and all collected data were analysed and presented through SPSS 19.0 package for convenience and reliability.

This research gives better understandings about Attitudes of businesses towards informal finance and its impact on their performance. The factors have evaluated based on four variables such as Pawning, Friends and Family, Money Lenders and Trade Creditors derived from the literature review. This study found the Attitudes of business owners towards informal finance and their impact on business performance' in here the performance indicate business growth, productivity and investment .we intend to find the level of impact of informal finance on basic business performance special reference in Kandy district .

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