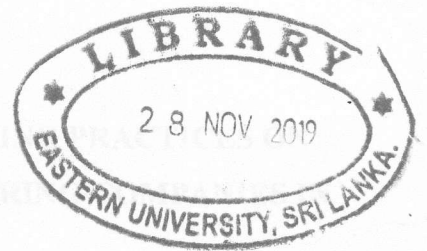


**THE IMPACT OF MANAGEMENT ACCOUNTING PRACTICES  
ON FINANCIAL PERFORMANCE OF MANUFACTURING  
COMPANIES IN GAMPAHA DISTRICT**



by

**UYANGODA MANAGE MALKI DEVINDI**

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**A Project Report**

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**Department of Commerce  
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Eastern University, Sri Lanka**

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## ABSTRACT

This study examine the impact of management accounting practices on financial performance of manufacturing companies in Gampaha District. In the current business market, management accounting practices are very important as well as compulsory for the companies. The researcher has decided to study the manufacturing companies which are existing in Gampaha District of Sri Lanka.

The objective of this study is to examine the impact of management accounting practices on financial performance of manufacturing companies in Gampaha District. In addition to the relationship between Management Accounting Practices and Financial Performance of the manufacturing companies of Gampaha District is also analyzed. As well as the researcher has identified what extent do the manufacturing companies use the management accounting practices for their business activities in Gampaha District.

61 manufacturing companies in Gampaha District were selected as sample. According to the findings, descriptive statistic were highest mean value for strategic analysis therefore it has high level of contribution on financial Performance. Contribution of costing system, budgeting practice, performance evaluation and information for decision making are high level on Financial Performance.

Between the costing system and financial performance, between budgeting and financial performance, between performance evaluation and financial performance, between information for decision making and financial performance, and between strategic analysis and financial performance have high positive relationship. As well as between overall accounting practices and financial performance have a high positive relationship.

Finally overall management accounting practice has significantly explained 98% of the variance of Financial Performance. Around 94% of variance of Financial Performance is explained by dimension of performance evaluation.

**Keywords:** *Management Accounting Practice and Financial Performance*

## TABALE OF CONTENTS

ACKNOWLEDGEMENT .....	I
ABSTRACT.....	II
TABALE OF CONTENTS.....	III
LIST OF TABLES.....	VIII
LIST OF FIGURES .....	X
ABBREVIATIONS .....	XI
1. INTRODUCTION .....	1
1.1 Background of the Study .....	1
1.2 Research Problem .....	2
1.3 Research Questions .....	3
1.4 Research Objective.....	3
1.5 Significance of the Study.....	3
1.6 Assumptions .....	4
1.7 Summary.....	4
2. LITERATURE REVIEW .....	5
2.1 Introduction .....	5
2.2 History and Development of Management Accounting Practices .....	5
2.3 Importance of the Management Accounting Practices .....	7
2.4 Management Accounting Practices.....	8
2.4.1 Costing System .....	10
2.4.2 Budgeting.....	11
2.4.3 Performance Evaluation.....	11
2.4.4 Information for Decision Making.....	12
2.4.5 Strategic Analysis.....	13
2.5 Financial Performance in Manufacturing Companies .....	13
2.6 Summary .....	14

3. CONCEPTUALIZATION AND OPERATIONALIZATION .....	15
3.1 Introduction .....	15
3.2 Conceptualization .....	15
3.3 Conceptual Framework .....	16
3.4 Management Accounting Practices .....	16
3.4.1 Costing System .....	17
3.4.1.1 Activity Based Costing .....	17
3.4.1.2 Target Costs .....	17
3.4.1.3 The Cost of Quality .....	17
3.4.2 Budgeting .....	18
3.4.2.1 Budgeting for Controlling Cost .....	18
3.4.2.2 Activity- Based Budgeting .....	18
3.4.2.3 Flexible Budgeting .....	19
3.4.2.4 Zero-Based Budgeting .....	19
3.4.3 Performance Evaluation .....	19
3.4.4 Information for Decision Making .....	20
3.4.4.1 Cost-Volume-Profit Analysis .....	20
3.4.5 Strategic Analysis .....	20
3.5 Financial Performance .....	21
3.6 Operationalization .....	21
3.7 Hypotheses Development .....	23
3.8 Summary .....	23
4. METHODOLOGY .....	24
4.1 Introduction .....	24
4.2 Research Design .....	24
4.3 Population .....	24
4.4 Sampling .....	24

4.4.1 Sampling Technique and Sampling Framework .....	25
4.5 Data Collection .....	25
4.6 Data Analysis Method.....	26
4.6.1 Univariate Analysis .....	26
4.6.1.1 Mean .....	26
4.6.1.2 Standard Deviation.....	26
4.6.1.3 Data Evaluation for Accounting Practices .....	27
4.6.2 Bivariate Analysis .....	28
4.6.2.1 Correlation Analysis .....	29
4.6.2.2 Regression Analysis.....	30
4.6.2.2.1 The Simple Regression Analysis.....	31
4.6.2.2.2 The Multiple Regression Analysis .....	31
4.7 Hypotheses Testing .....	32
4.8 Summary .....	32
5. DATA PRESENTATION AND ANALYSIS .....	33
5.1 Introduction .....	33
5.2 Reliability Analysis .....	33
5.3 Data Presentation for General Information .....	34
5.3.1 Job Position .....	35
5.3.2 Category of the Companies.....	36
5.3.3 Number of Employees .....	37
5.3.4 Listed Company .....	38
5.3.5 Annual Turnover.....	38
5.4 Data Analysis for Research Information .....	39
5.4.1 Univariate Analysis .....	40
5.4.1.1 Descriptive Statistics of Management Accounting Practices.....	40
5.4.1.1.1 Costing System.....	41

5.4.1.1.2 Budgeting .....	43
5.4.1.1.3 Performance Evaluation .....	45
5.4.1.1.4 Information for Decision Making .....	47
5.4.1.1.5 Strategic Analysis.....	49
5.4.1.2 Descriptive Statistics of Financial Performance .....	50
5.4.2 Bivariate Analysis .....	51
5.4.2.1 Correlation Analysis .....	51
5.4.2.2 Simple Regression Analysis .....	52
5.4.2.3 Multiple Regression Analysis .....	55
5.5 Summary .....	57
6. DISCUSSION .....	58
6.1 Introduction .....	58
6.2 Discussion on Descriptive Statistics Analysis .....	58
6.2.1 Costing System .....	59
6.2.2 Budgeting.....	59
6.2.3 Performance Evaluation.....	59
6.2.4 Information for Decision Making.....	59
6.2.5 Strategic Analysis.....	60
6.3 Discussion on Relationship between Management Accounting Practices and Financial Performance of Manufacturing Companies .....	60
6.3.1 Overall Management Accounting Practices and Financial Performance.....	60
6.3.2 Costing system and Financial Performance .....	60
6.3.3 Budgeting and Financial Performance.....	61
6.3.4 Performance Evaluation and Financial Performance.....	61
6.3.5 Information for Decision Making and Financial Performance.....	62
6.3.6 Strategic Analysis and Financial Performance .....	62
6.4 Discussion on the Impact of Management Accounting Practices on Financial Performance of Manufacturing Companies .....	62

6.4.1 Overall Management Accounting Practice on Financial Performance .....	63
6.4.2 Costing System on Financial Performance .....	63
6.4.3 Budgeting on Financial Performance.....	63
6.4.4 Performance Evaluation on Financial Performance.....	63
6.4.5 Information for decision making on Financial Performance .....	64
6.4.6 Strategic Analysis on Financial Performance.....	64
6.4.7 The Impact of Management Accounting Practice on Financial Performance Using Multiple Regression.....	64
6.5 Summary .....	65
<b>7. CONCLUSIONS AND RECOMMENDATIONS .....</b>	<b>66</b>
7.1 Introduction .....	66
7.2 Conclusions of the Study .....	66
7.3 Recommendations.....	67
7.4 Limitations.....	67
7.5 Suggestion for Future Researches .....	68
7.6 Summary .....	68
<b>REFERENCES .....</b>	<b>69</b>
<b>APPENDICES .....</b>	<b>74</b>
Appendix I: Research Questionnaire .....	74
Appendix II: SPSS Outputs .....	79