

# **IMPACT OF ACCOUNTING SOFTWARE SYSTEM TOWARDS ENHANCING THE BUSINESS PERFORMANCE IN SMALL AND MEDIUM ENTERPRISES (SMES) IN MATARA DISTRICT, SRI LANKA.**

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## **Abstract**

Due to the advancement of technology and the current global development trend, the majority of small and medium enterprises (SMEs) are interested in adopting computerized accounting software in reporting their regular business operations. It is advantageous for the routine business operations and business performance. The objective of this study is to assess the impact of an accounting software system on business performance of SMEs in Matara district to fill an important research gap. Previous researchers revealed that accounting software systems ensure the effectiveness of business operations and that there is a positive relationship between accounting software systems and business performance. This study further analyses how the characteristics of accounting software such as efficiency, reliability, ease of use, data quality, and accuracy influence business performance in SMEs. Data from 120 respondents was gathered for the study using a questionnaire, and respondents were contacted via email, WhatsApp, Google, and in-person visits. The main research finding is that, there is a positive correlation between accounting software characteristics and firm performance in the Matara district of Sri Lanka. The sample being restricted to the Matara District and the survey being limited to employee level responses are two research constraints. Future research should focus on widening the sample and testing the relationship in different contexts.

**Keywords:** *Computerized Accounting Software, Small and Medium Enterprises, Business Performance, Matara District*