

**RISK MANAGEMENT PRACTICES OF SME'S IN THE
HAMBANTHOTA DISTRICT - A COMPARATIVE ANALYSIS
BY FIRM'S CHARACTERISTICS**



By

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REG NO: EU/IS/2015/COM/52

INDEX NO: COM 1932



**A project report submitted to the Faculty of Commerce and Management,
Eastern University, Sri Lanka, as a partial fulfillment of the requirement for the
Degree of Bachelor of Commerce Honors (B. Com Hons).**

Department of Commerce

Faculty of Commerce and Management

Eastern University Sri Lanka

2020

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ABSTRACT

The main purpose of this study is to determine the level of risk management practices of small and medium enterprises in Hambanthota District and comparative analysis by firm's characteristics. Hence, this study examines the influence of three dimensions of risk management practices, namely risk identification, risk assessment & risk monitoring.

To ensure the success and potential benefits of risk management implementation, firms characteristics should be considered when risk management programs are undertaken. The objective of this study was to investigate the level of firms age and firms size on risk management implementation in SME's in Hambanthota District. To achieve this objective, quantitative data were elicited from a questionnaire survey and structured interviews, respectively. The study is mainly considering the primary data. The primary data were collected through a closed structure questionnaire from 100 respondents from small and medium enterprises in Hambanthota district and comparative analysis was performed based on firms age and firms size and used univariate analysis techniques in order to analyze data and find the results of study objectives. The analysis results indicated that firms age and firms size had highly level on risk management practices implementation of SME's in Hambanthota District.

Furthermore, findings revealed that risk identification, risk assessment & risk monitoring are highly prevailing. The study concluded that the overall risk management practices of SME's sector in Hambanthota District is at a high level.

keywords: Risk Management (RM), Small Medium Enterprises (SME's), Risk Identification, Risk Assessment, Risk Monitoring, firm's Characteristics

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