FACTORS INFLUENCING ON THE PURCHASING DECISIONS OF ACCOUNTING PACKAGES IN SMES IN THE KURUNEGALA DISTRICT

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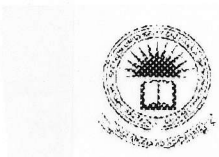

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ABSTRACT

The study investigates the Requirements of Users, Cost of Selecting Accounting Package, Main Features, Customization Capabilities, and Accounting Package Functionality on purchase decision of accounting packages among SMEs in the Kurunegala district. Although much research has been done on purchasing decisions on accounting packages for large-scale businesses, so far lack of research has been done on purchasing decisions on accounting packages among small and medium enterprises. This research study plan to examine that problem and fulfill the empirical gap in the purchase decisions of accounting packages among SMEs in the Kurunegala district.

Purchasing the appropriate accounting software has become an important issue for many SMEs. Selecting the wrong accounting software would be a great disaster, it might lead to major financial losses. Certain crucial factors Requirements of Users, Cost of Selecting Accounting Package, Main Features, Customization Capabilities, and Accounting Package Functionality should be taken into consideration before purchasing the software. The objective of this paper is to investigate, analyze, and evaluate the main factors SMEs should consider in their decision to purchase the appropriate accounting software.

More precisely, the study focused on evaluating the effect of selected variables on Primary data were collected via a questionnaire. Structure questionnaires were distributed among 360 SMEs have selected in the Kurunegala district through population study. The data were analyzed using descriptive, correlation analysis, simple regression analysis, and multiple regression analysis.Lastly, the result indicated that there is significant impact of Financial Institutions Characteristics, family factors and macroeconomics factors on SMEs Loan Default. The findings of this study are useful in further enlarging and enrichment applications of these concepts in practice.

Keywords: Requirements of Users, Cost, Main Features, Customization Capabilities, Functionality, Purchase Decision

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