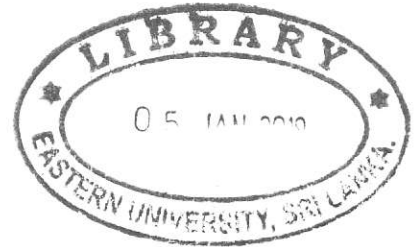


**CAPITAL BUDGETING PRACTICES IN SMALL MEDIUM
ENTERPRISES
(Special Reference to Gampaha District)**



By

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ABSTRACT

Small Medium Enterprises in Gampaha district have developed strongly and contributed to increasing GDP. Small Medium Enterprises plays a significant role in the growth of society as a whole, as well as in the stability and improvement of people's daily lives. However Small Medium Enterprises have found difficulties on the way to development due to lack of management experience and financial resources. This research examine the Extent of Capital Budgeting Practice in Small Medium Enterprises in Gampaha district. The objective of this study to identify the level of Capital Budgeting practices used in Small Medium Enterprises. The research framework of study consists of five variables which are used to measure the level of Capital Budgeting Practice respondents. Those are Payback Period, Accounting Rate of Return, Net Present Value, Internal Rate of Return and Profitability Index.

The study was conducted by among 100 managers Small Medium Enterprises in Gampaha district. This structured questionnaire was administrated to collect the data from respondents. The collected data were analyzed by using univariate analysis, (Descriptive measure, such as mean, median standard deviation) cross tabulation.

The results of the study showed that there is a high level of Capital Budgeting Practice among the Small Medium Enterprises in Gampaha district. High level of Capital Budgeting Practices showed in each Small Medium Enterprises. Finding of the study will be important and useful for managers of Small Medium Enterprises on exploring empirical knowledge regarding, the concept of Capital Budgeting Practices.

Key Words: Capital Budgeting Practice, Small Medium Enterprises, Gampaha district.

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