

## Impact of Financial Literacy on Firm Performance, With Special Reference to SMEs in Anuradhapura District

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This study examined the impact of financial literacy to firm performance in the Anuradhapura District. The researcher used primary data from a sample of 100 Small and Medium Enterprises (SME) owners/managers in Anuradhapura District. The information was obtained from the structured questionnaire. The aim of this study was to identify the impact of financial literacy to the financial knowledge, financial attitude and financial behavior. The collected data were analyzed using descriptive statistics and the relationship between the variables of the model was tested using correlation analysis and multiple linear regression analysis. The results of the regression analysis were used to test the hypothesis. The first hypothesis was tested at 5% significant level and the p-value was 0.021. These results demonstrate that, there is a positive relationship between financial knowledge and firm performance. The second hypothesis was tested at 1% significant level and the p-value was 0.000. This shows that there is a positive relationship between financial attitude and firm performance. Furthermore, the last hypothesis was tested at 1% level of significance and the p-value was 0.000 indicating a positive relationship between financial attitude and firm performance. According to these findings it is recommended to conduct training programs on budgeting and planning, debt management, record keeping, savings and knowledge about finance services to increase the financial literacy, since it will be help achieve the economic development of the country.

**Keywords:** Financial Literacy, financial knowledge, financial attitude, financial behavior, firm performance