

**THE IMPACT OF ACCOUNTING INFORMATION SYSTEM QUALITY ON  
FINANCIAL PERFORMANCE OF SMALL AND MEDIUM-SIZED ENTERPRISES:  
SPECIAL REFERENCE TO NORTH CENTRAL PROVINCE IN SRI LANKA**

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**ABSTRACT**

This study investigates the impact of the quality of the Accounting Information System (AIS) on the financial performance of Small and Medium-Sized Enterprises (SMEs) in the North Central Province of Sri Lanka. The quality of AIS used by these enterprises can significantly influence their financial performance by improving decision-making processes, enhancing financial transparency, and ensuring regulatory compliance. This study aims to provide empirical evidence of the impact of AIS quality and financial performance on Sri Lankan SMEs. A survey instrument was used to collect quantitative data to predict the effects of AIS quality on financial performance from 370 SMEs out of the overall estimated population of 11,477. Convenience sampling was used to distribute the questionnaires. Descriptive statistics, correlation analysis, and regression analysis were used as analytical tools to achieve the research objectives. This study finds a significant relationship between AIS quality and financial performance. AIS quality is measured through the nature of the accounting information system, use of accounting information, usage of the accounting information system, and effectiveness of the accounting information system in financial performance. This study provides empirical evidence that AIS quality significantly impacts the financial performance of SMEs in the North Central Province. High-quality AIS supports better financial decision-making and improves financial performance by supporting the accuracy, reliability, and timely contributions of financial information.

**Keywords:** -AIS quality, financial performance, small and medium-sized enterprises