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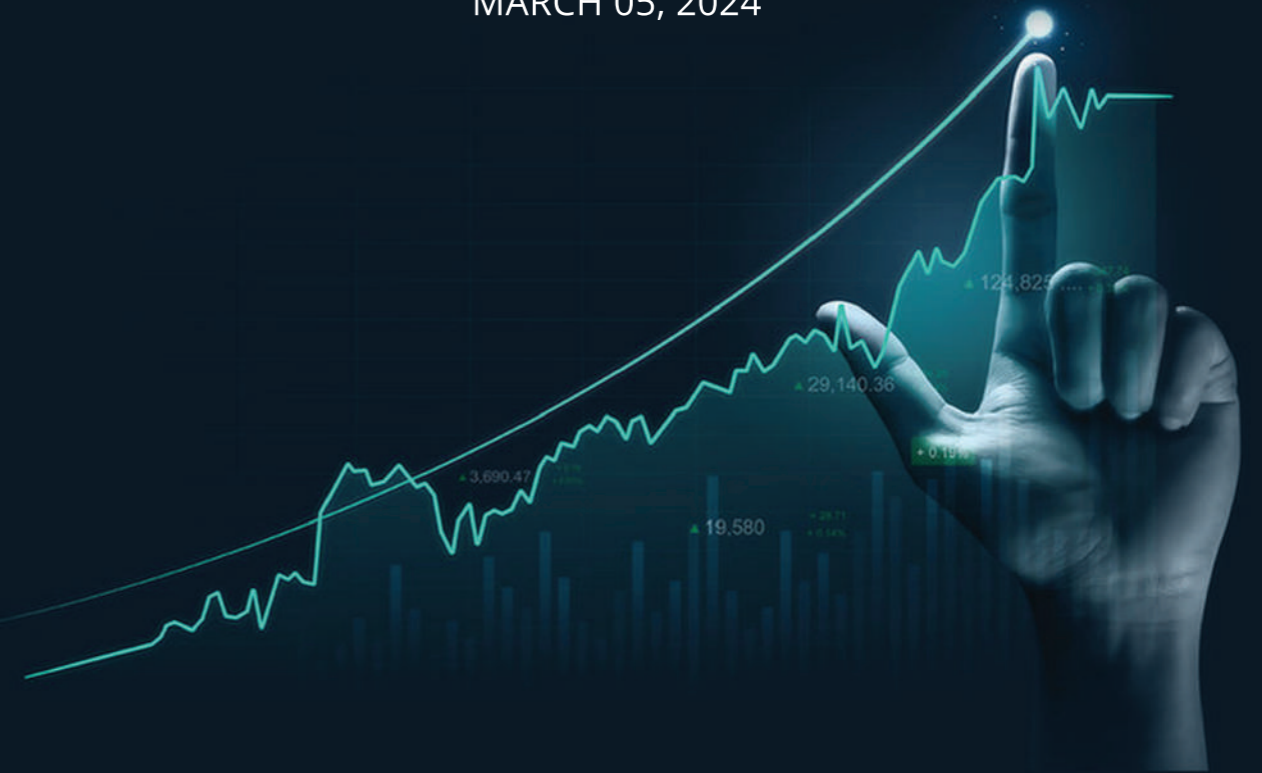


2ND ACCOUNTING AND FINANCE STUDENT RESEARCH SYMPOSIUM

PROCEEDINGS

**BEYOND BOUNDARIES:
CHARTING THE COURSE IN UNCHARTED
WATERS - GLOBAL ACCOUNTING &
FINANCE TRENDS AND ECONOMIC OUTLOOK**

MARCH 05, 2024



DEPARTMENT OF ACCOUNTING AND FINANCE | FACULTY OF BUSINESS



05TH MARCH 2024

**02nd ACCOUNTING & FINANCE
STUDENT RESEARCH
SYMPOSIUM**

**BEYOND BOUNDARIES: CHARTING THE COURSE IN
UNCHARTED WATERS- GLOBAL ACCOUNTING &
FINANCE TRENDS AND ECONOMIC OUTLOOK**

FOCUSING

- Investment Behaviors and Psychology of Financial Decision-Making
- Digital Transformation and Technological Adoption in Accounting and Finance
- Educational Practices and Professional Development in Accounting and Finance
- Sustainability, Social Responsibility and Regulatory Compliance

Organized By
Department of Accounting and Finance, Faculty of Business, NSBM Green
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PREFACE

Welcome to the second edition of the Accounting and Finance Student Research Symposium (AFSRS) 2024, organized by the Department of Accounting and Finance. This year, under the theme "Beyond Boundaries: Charting the Course in Uncharted Waters - Global Accounting & Finance Trends and Economic Outlook," we aim to explore the evolving landscape of our field, driven by digital transformation, investment psychology, sustainability, and educational innovation. Our focus is on navigating the complexities of the global economic environment, fostering a deeper understanding of the forces shaping the future of accounting and finance.

The AFSRS 2024 stands as a testament to our commitment to pushing the frontiers of knowledge and practice. It is a platform where the confluence of digitalization, human behavior in financial decision-making, ethical considerations in financial practices, and the changing educational and career landscape in accounting and finance will be explored. These areas, critical for the sustainability of businesses and economies worldwide, reflect the dynamic and interconnected nature of our field.

We are profoundly grateful to Prof. E A Weerasinghe, the Vice-Chancellor, and Prof. Chaminda Rathnayaka, the Deputy Vice-Chancellor of NSBM Green University, for their visionary leadership and continuous support. Their

commitment to excellence has been a guiding light for us all, making events like AFSRS 2024 possible.

Our heartfelt thanks also go to Ms. Thilini De Silva, the Dean of the Faculty of Business, NSBM Green University, and Ms. Anne Pathirana, Head of the Department of Accounting and Finance, for their unwavering support and guidance. Their leadership has been instrumental in the realization of this symposium. Similarly, Prof. J. Baratha Dodankotuwa, the Head of Academic Development and Quality Assurance, has provided invaluable input and guidance, enhancing the academic rigor of our proceedings.

We extend our appreciation to all presenters and participants, whose contributions form the cornerstone of AFSRS 2024. Your research, insights, and active engagement are pivotal to the symposium's success. Additionally, the dedication and expertise of our reviewers, who have ensured the high quality of the manuscripts and proceedings, deserve special mention. As we embark on this intellectual journey, we are excited about the discussions, insights, and collaborations that AFSRS 2024 will foster. Together, we are charting a course through uncharted waters, advancing the fields of accounting and finance beyond traditional boundaries.

Thank you for joining us on this journey!

The Organizing Committee

MESSAGE FROM THE VICE CHANCELLOR



It is with great pleasure and immense pride that I extend my warm greetings to all presenters of the Accounting and Finance Student Research Symposium 2024 (AFSRS'24) conducted under the theme 'Beyond Boundaries; Charting the Course in Uncharted Waters: Global Accounting and Finance Trends and Economic Outlook'.

Student research holds a special place in moulding the future leaders of our society. It allows students to transcend the boundaries of traditional classroom learning and actively engage with the frontiers of knowledge within

the field of Accounting and Finance. By participating in research initiatives, our students acquire invaluable skills such as critical thinking, problem-solving, and effective communication—attributes that are essential for success in the fast-paced and ever-evolving world we live in.

Through this symposium, we provide a platform for our undergraduate researchers to present their findings, exchange scholarly ideas, and inspire one another. It serves as a testament to their unwavering commitment, exceptional talent, and relentless pursuit of excellence. Each research project featured in this proceedings book is a culmination of countless hours of meticulous investigation, experimentation, and analysis. It demonstrates the capabilities and potential of our undergraduate student body and highlights the valuable contributions they make to the field of Accounting and Finance.

I encourage all attendees to actively engage with the presentations and discussions and to seize the opportunity to learn from their peers. I am confident that this symposium will not only showcase the outstanding

achievements of our students but also ignite a passion for research and inspire further excellence in the field of Accounting and Finance.

Thank You.

Prof. E. A. Weerasinghe

MESSAGE FROM THE DEPUTY VICE-CHANCELLOR



It is with great pleasure I pen down this message for the second Accounting and Finance Student Research Symposium 2024 (AFSRS'24), organized by the Department of Accounting and Finance of NSBM Green University.

As pioneers in quality education,
NSBM Green University

recognizes the importance of research and development in shaping the future of our industries. AFSRS 2024 plays a crucial role in generating new knowledge and driving impactful research outcomes that will shape our country's future development of the Accounting and Finance sectors.

I congratulate all presenters for their dedication and look forward to a day filled with insightful presentations, meaningful dialogue, and the fostering of collegial relationships. Your participation enriches our symposium, and I extend my gratitude to each of you for your presence.

Thank You.
Prof. Chaminda Rathnayake

MESSAGE FROM THE HEAD OF ACADEMIC DEVELOPMENT AND QUALITY ASSURANCE



With utmost pleasure and pride, I extend a warm welcome to the second Accounting and Finance Student Research Symposium 2024 (AFSRS'24) conducted on the theme 'Beyond Boundaries; Charting the Course in Uncharted Waters: Global Accounting and Finance Trends and Economic Outlook'. This symposium promises to be a platform for academics, researchers, and

students alike to engage in meaningful discourse.

At NSBM, we firmly believe in the importance of research and development, which forms the backbone of our curriculum. AFSRS 2024 stands as a testament to our commitment to fostering innovation and contributing to existing knowledge.

I commend the organizing committee for their hard work in making this event a success. To all participants, I extend my heartfelt congratulations and best wishes for a fruitful and rewarding conference.

Thank You.

Prof. Baratha Dodankotuwa

MESSAGE FROM THE DEAN OF THE FACULTY OF BUSINESS



I extend my warmest wishes and it is an honor for me to deliver this dean's message for the proceeding of the second Accounting and Finance Student Research Symposium 2024, conducted under the theme 'Beyond Boundaries; Charting the Course in Uncharted Waters: Global Accounting and Finance Trends and Economic Outlook'.

The symposium serves as an invaluable platform for intellectual discourse and the exchange of ideas. As academic leaders, we are committed to promoting and fostering a vibrant research culture within our institution. This

symposium reflects our dedication to creating an environment that encourages collaboration, cross-disciplinary dialogue, and the pursuit of knowledge among the undergraduates.

The contributions presented in this proceeding represent the remarkable efforts of the young researchers and the rigorous pursuit of excellence in research. It is inspiring to witness the wealth of ideas and knowledge shared over this symposium.

I would like to express my deepest gratitude to the organizing committee for their meticulous planning and hard work in bringing this event to fruition. Without their dedication and expertise, this symposium would not have been possible. I also extend my appreciation to the keynote speaker, session chairs, and all the presenters for generously sharing their expertise and research findings.

Thank You.

Thilini de Silva

MESSAGE FROM THE HEAD OF THE DEPARTMENT OF ACCOUNTING AND FINANCE



On behalf of the Department of Accounting and Finance of NSBM Green University and the organizing committee, I am honoured and delighted to welcome you to the second Accounting and Finance Student Research Symposium (AFSRS'24).

Annually over 100 accounting and finance undergraduates are undergoing a research project with excellent guidance. Utilizing the opportunity to empower young researchers, the department has extended its concern to commence

a student research symposium to encourage impactful research and open many new paths towards future research developments in Accounting and Finance discipline. AFSRS'24 is presented with a vibrant theme of 'Beyond Boundaries; Charting the Course in Uncharted Waters: Global Accounting and Finance Trends and Economic Outlook', uncovering an array of essential dimensions in the field of accounting and finance.

AFSRS will be a significant initiative to cultivate and nourish the research culture in the department and the university, providing a wide range of opportunities to the students' community. Finally, I wish all the best to all the presenters in the AFSRS'24 and hope you will benefit to the fullest and collect valuable memory to cherish.

Thank You.

Anne Pathiranage

MESSAGE FROM THE SYMPOSIUM CHAIR



It is with great pleasure and excitement that I welcome you all to the Annual Accounting and Finance Student Research Symposium.

This year's symposium theme, 'Beyond Boundaries; Charting the Course in Uncharted Waters: Global Accounting and Finance Trends and Economic Outlook', encapsulates the essence of what we strive to achieve in our pursuit of knowledge and innovation. In today's rapidly evolving global landscape, characterized by unprecedented challenges and opportunities, it is imperative that we transcend conventional

boundaries, embrace change, and navigate through uncharted waters with confidence and resilience.

Throughout this symposium, we will embark on a journey to explore the latest trends and emerging paradigms in accounting and finance, with a keen eye on their implications for the global economy.

As we embark on this intellectual journey together, let us embrace the spirit of collaboration, open-mindedness, and intellectual curiosity. Let us seize this opportunity to engage in meaningful dialogue, exchange ideas, and foster connections that will inspire us to chart new pathways towards a brighter future for accounting and finance.

May your interactions and insights pave the way for transformative discoveries and innovations that will shape the future of our profession for years to come.

Thank You.

Daupadee Gamage

MESSAGE FROM THE SYMPOSIUM CO- CHAIR



It is with utmost delight and privilege that I extend a cordial welcome to each one of you to the Accounting and Finance Student Research Symposium 2024. Today, we come together under the theme ‘Beyond Boundaries; Charting the Course in Uncharted Waters: Global Accounting and Finance Trends and Economic Outlook’, a theme that resonates deeply with the dynamic nature of our field and the challenges and opportunities that lie ahead. Throughout the course of this symposium, we will have the

privilege of hearing from student research, engaging in thought-provoking discussions, and exploring cutting-edge research that sheds light on the latest trends and developments in our field.

Most importantly, this symposium serves as a platform for our students—the future leaders of our profession to showcase their research, share their insights, and contribute to the collective body of knowledge in accounting and finance. Their dedication, passion, and intellect are a testament to the bright future that lies ahead for our discipline, and I am truly excited to witness the innovative ideas and perspectives that they bring to the table.

Thank you, and I wish you all a productive and enriching symposium.

Thank You.
Narmada Balasooriya

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The Influence of the Theory of Planned Behavior Constructs on Investment Intention of Sri Lankan Prospective Individual Investors in Equity Markets

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ABSTRACT

Active participation and investments in financial markets such as the stock market are essential components contributing to the growth of any economy, especially in developing nations like Sri Lanka. The current research study tries to address the problem of low stock market participation by Sri Lankan individuals by exploring the factors that influence an individual's intention to invest in the stock market by considering the theory of planned behavior while filling a gap in literature where there seems to be a lack of studies concerning behavioral factors influencing individual investment intentions in equity markets in the Sri Lankan context. That is, despite the recognized importance of stock market investments for economic growth, a gap exists in understanding the behavioral factors influencing investment intentions in the Sri Lankan context. The study follows the deductive

research approach and incorporates the mono-method quantitative research choice. It then considers a cross-sectional research design by collecting data using a structured questionnaire from a sample of 202 prospective individual investors following the convenience and snowball sampling strategies. For data analysis and hypothesis testing, SPSS was considered.

The results of the study indicated that all three key constructs of the theory of planned behavior, attitudes, subjective norms, and perceived behavioral control, had a significant positive influence on investment intention. Further, perceived behavioral control was found to be the most influential factor on investment intention.

The study found that the three constructs of the theory of planned behavior to be significant influencers of individual investment intention. Accordingly, this contributes to the existing literature by

validating the proposed relationships by the theory and has a practical significance where the government and other relevant authorities and parties could use the findings to increase Sri Lankan individuals' stock market participation. The study was limited to exploring the investment intention in stock markets where future research studies could be directed towards exploring the actual investment behavior in stock markets and other financial markets.

Keywords— Investment intention, stock market participation, theory of planned behavior

1. INTRODUCTION

Investments are essential for the growth of an economy. With a higher level of investments, both domestic and foreign, an economy will be able to achieve a sustained higher growth rate since more funds will flow into an economy with increased investments which can then be utilized for the development of the economy, which will contribute to the attainment of the Sustainable Development Goal 8: Decent Work and Economic Growth of the United Nations. Accordingly, governments and regulators of investment bodies such as stock markets and securities and exchange commissions of countries should take necessary steps to attract more investments, especially in developing countries. One way of achieving this is to motivate the general public to start investing in stock markets.

Even though increasing stock market investments is a preliminary step in the process of increasing domestic investments within an economy, Mishra, (2018) states that the stock market participation by investors across countries has not yet reached acceptable levels. For instance, the household stock market investments in India is only 10% whereas the country's total household bank deposits amount to 60% of total savings (Mishra, 2018). Similarly in Sri Lanka, stock market investments by households amounts to only 0.1814% of the Sri Lankan Gross Domestic Product whereas savings deposits of households amounts to 22.27% of the Gross Domestic Product (Central Bank of Sri Lanka, 2021). On the other hand, the amount of local investors in the Colombo Stock Exchange (CSE) in Sri Lanka as at December 2021 amounted to 652,645 whereas the total working age population in the country during the same period amounted to 14.82 million, where comparison of these figures reveal the stock market participation by Sri Lankan individuals, which is 4.40%, which is a significantly low level (Central Bank of Sri Lanka, 2021; Colombo Stock Exchange, 2021). Furthermore, the adult financial literacy rate in Sri Lanka is 57.9% and access to the stock market and any other financial market within the country is not restricted for individuals (Central Bank of Sri Lanka & International Financial Corporation, 2021). Consequently, even though Sri Lankans have access to the stock market and have a high financial literacy level in addition to the fact that

stock market investments yield high returns, yet they are not investing in the stock market. Accordingly, this gives rise to the need to determine the factors which influence an individual's intention to invest in the stock market.

Many studies have been conducted by researchers like Metawa et al., (2019), Rahayu et al., (2021), Adil et al., (2022), Akhtar & Das, (2019), El Mosalamy & Metawie, (2018) and Nadeem et al., (2020) to determine how demographic factors, socio-psychological factors and factors put forward by the Theory of Planned Behavior (TPB) affect an individual investor's investment decisions. However in the Sri Lankan context, it has been outlined by Kengatharan, (2019) and Kengatharan & Kengatharan, (2014) that there seems to be a lack of studies concerning behavioral factors influencing investment intentions.

Even though many studies have been carried out for the purpose of understanding the behavior of individuals, there is a need for a compact model to obtain a general summary of how an individual makes decisions (Adil et al., 2022). However, out of all the models used by researchers related to behavior, the TPB has been regarded as the most known successful and comprehensive social-psychological model to understand and predict the behavior of an individual and also preferred by most of the scholars (Adil et al., 2022; Ajzen, 2015; Shih et al., 2022). Thus, the TPB is considered most suitable for the purpose of this research.

Accordingly, the current research aims to determine the factors that influence a prospective individual investor's intention to invest in the Colombo Stock Exchange by incorporating the TPB model.

The subsequent sections of this study are organized in a manner where section 2 critically reviews prior literature surrounding the study, section 3 discusses the methodology adopted in the research, section 4 presents the results of the data analysis and section 5 provides a comprehensive discussion on the findings and thereby provides a conclusion to the study by outlining its implications, limitations, and scope for future research.

2. LITERATURE REVIEW

2.1 Investments

An investment is committing a certain amount of funds at present with the intention of receiving payments in the future where such future payments are expected to compensate for the time period of fund commitment, anticipated inflation rate during the time period and for the uncertainty of the expected cash flows. In the modern world, a wide spectrum of investment options are available where they can be broadly categorized as financial asset investments and real asset investments, where financial assets include investments in shares, debentures, bills, bonds, options and futures and real assets include investments in real estate, art, gems, coins, stamps and antiques (Reilly, Frank K & Brown, 2012).

2.2 Stock Market Investments

Among the many investment options available, financial market investments by individuals have significantly increased over the years because of the ability of obtaining higher returns for the capital invested, high liquidity and the availability of a diverse range of financial assets (Adil et al., 2022; Akhtar & Das, 2019; Nadeem et al., 2020). Within the numerous types of financial markets, stock markets have been regarded as one of the main sources which can contribute significantly to financial and economic development and on an individual level, investing in stocks have been considered to enhance the financial wellbeing of individuals in the long-term (El Mosalamy & Metawie, 2018). Even though stock market investments has such significance, the stock market participation across many countries is considerably low and has become one of the prominent topics in the field of household finance (Kaustia et al., 2023; Mishra, 2018; Sivaramakrishnan et al., 2017). Many researchers have highlighted reasons explaining the low stock market participation which considers behavioral aspects of individuals, which gives the need to address the investor behaviour in stock markets.

2.3 Investor Behavior in Stock Markets

According to conventional finance theories associated with the Efficient Market Hypothesis and Modern Portfolio Theory, investors always behave rationally when making

investment decisions in stock markets by considering risk and return of investment options (Ahmad, 2017; YASHBA HUMRA, 2016). Studies conducted under these traditional financial theories have explored the economic, financial and demographic factors that influence an individual's behavior in the stock market and investment intentions (Lim et al., 2013). However in contrast, modern financial theories argue that investors do not always behave rationally when making investment decisions as they are influenced by several behavioral biases, which is explored under the field of behavioral finance (Hu et al., 2019; Lim et al., 2013; YASHBA HUMRA, 2016).

2.4 Individual-Level Financial Decision Making Related to Investments

The traditional financial theories, which suggested that an investor always makes rational decisions by considering the risks and returns of different investment options, has now been proven to be less realistic as there are a multitude of individual-level behavioural factors and psychological processes affecting investment decisions of individuals (Lim et al., 2013; Listyarti & Suryani, 2014; Metawa et al., 2019; Raut et al., 2018; Sabir et al., 2021). These individual-level behavioural factors are addressed in the modern financial theory of behavioural finance, where it refers to “ a blend of personal and social psychology principles with traditional finance theory to investigate and

emphasize the stock market performance” (Nadeem et al., 2020).

2.5 Individual-Level Behavioural Factors Influencing Investment Intentions in Stock Markets

Many prior studies have been conducted to investigate individual-level behavioral factors affecting investment intentions (Adil et al., 2022; Akhtar & Das, 2019). One common classification of these behavioural factors, as pointed out by YASHBA HUMRA, (2016), is where they are classified under the Heuristic Theory, Prospect Theory and Herding Behavior. Apart from behavioural factors categorized under this classification, the study of the influence of factors proposed by the TPB, i.e., attitudes, subjective norms, and perceived behavioural control, on individual investment intention has gained much prominence among researchers.

2.6 The Theory of Planned Behavior

The TPB extends from the Theory of Reasoned Action (TRA), which was initially developed by Fishbein and Ajzen in 1975, which proposed that attitudes and subjective norms affects an individual’s behavioural intention and behavioural intention affects actual behavior (Ajzen, 1991; Ajzen et al., 1992; Raut et al., 2018; Shih et al., 2022). However, there were problems with the TRA regarding predicting the “volitional behavior” of individuals and as a solution to it, the TPB was introduced by Ajzen in 1985, which proposed that a person’s attitudes,

subjective norms and perceived behavioral control collectively affects his/her behavioral intention to perform a certain behavior (Adil et al., 2022; Ajzen, 1991; Akhtar & Das, 2019).

As outlined by Adil et al., (2022), the TPB is “the most impactful theory in many branches of study which enlightens informational and motivational impact on individual behavior and it has developed in to a leading theory and has been pragmatic in different fields of human behavior”. Moreover, TPB has also been considered as “one of the most popular social-psychological models for understanding and predicting human behavior” (Ajzen, 2015). Ajzen, (2020) also states that “The TPB has been used successfully to explain and predict behavior in a multitude of behavioral domains, from physical activity to drug use, from recycling to choice of travel, and from technology adoption to protection of privacy, to name a few”. Thus, the TPB is considered as the theoretical underpinning of the current study.

3. CONCEPTUAL FRAMEWORK

3.1 Hypothesis Development

3.1.1 Attitudes and Investment Intention

Attitudes (AT) refers to “the degree to which a person has a favourable or unfavourable evaluation or appraisal of the behaviour in question” (Ajzen, 1991). The fundamental determinants of

an individual's attitudes is considered to be the "readily accessible beliefs" and thus, it is said that beliefs are the foundation for an individual's attitudes (Ajzen, 2015). Based on this Eklund & Tenenbaum, (2014) points out that performing a certain behavior based on beliefs will lead to the ultimate formation of an attitude. Considering the TPB the studies conducted by Adil et al., (2022) and Akhtar & Das, (2019) reveal that attitudes significantly influences investment intentions (II). However, (Sabir et al., 2021) concludes that attitudes have an insignificant influence on investment intention. On the other hand, studies conducted by El Mosalamy & Metawie, (2018), Gopi & Ramayah, (2007), Nugraha & Rahadi, (2021) and Raut et al., (2018) concludes that attitudes have a significant influence on investment intention. Thus, the first hypothesis is proposed as:

H1. Attitudes have an influence on investment intention.

3.1.2 Subjective Norms and Investment Intention

Subjective norms (SN) refers to "the perceived social pressure to perform or not to perform the behaviour" (Ajzen, 1991). According to Ajzen, (2015), normative beliefs of a person are the foundation upon which subjective norms are built on. In the words of Al-Swidi et al., (2014), subjective norms reflect the beliefs of an individual as to how he/she would be seen by his/her significant others if that individual performs a certain behavior. Considering the TPB, the findings of the studies of Koropp et

al., (2014), Palamida et al., (2018), Geraldine & Ottemoesoe, (2022), Ibrahim & Arshad, (2017) and Pahlevi & Oktaviani, (2018) reveal that subjective norms have a significant influence on investment intention. However, Listyarti & Suryani, (2014) and Mahastanti & Hariady, (2014) in their studies reveal that subjective norms does not significantly influence investment intention. Thus, the second hypothesis is proposed as:

H2. Subjective norms have an influence on investment intention.

3.1.3 Perceived Behavioural Control and Investment Intention

Perceived behavioural control (PBC) refers to "the perceived ease or difficulty of performing the behaviour" (Ajzen, 1991). The determinants of perceived behavioral control are the beliefs that an individual has, which are related to whether he/she has the relevant resources and has access to opportunities to perform a certain behavior successfully and individuals who recognize such beliefs and opportunities are more likely to have a greater extent of perceived behavioral control (Eklund & Tenenbaum, 2014). Considering the TPB, the findings of the studies of Adil et al., (2023), Pilatin & Dilek, (2023), Phan & Zhou, (2014), Raut et al., (2018) and Sobaih & Elshaer, (2023) reveal that perceived behavioral control has a significant influence on investment intention. However, the findings of the study of Ibrahim & Arshad, (2017) reveals that perceived behavioral control does not significantly influences investment intention. Thus, the third hypothesis is proposed as:

H3. Perceived behavioral control has an influence on investment intention.

3.2 Conceptual Framework

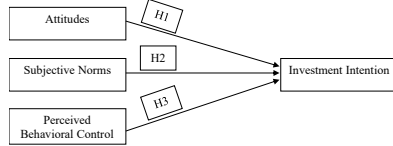


Figure 1. Conceptual Framework.

4. METHODOLOGY

4.1 Research Design

The research design is the general plan upon which the entire research will be carried out, i.e., research methodology explains how the research question(s) will be answered (Saunders & Lewis, 2019). Hence, the current study is based on the research philosophy of positivism and undertakes the deductive approach while incorporating the mono-method quantitative research choice. Moreover, the study adopts the survey research strategy while embodying a cross-sectional research design, consistent with the studies of Adil et al., (2022) and Akhtar & Das, (2019).

4.2 Measurement Scales for Variables

The measurement scales for the variables presented under the conceptual framework have been adopted from prior studies which have been published in journals which are internationally recognized and are already validated and considered to be reliable. Accordingly, the measurement scales for AT, SN,

PBC and II were borrowed from the study conducted by Adil et al., (2022) where the authors have measured the influence of the constructs of the TPB on IIs of individual investors. However, these measurement items have been originally developed by Chen, (2007), Taylor & Todd, (1995) and Bansal & Taylor, (2002) in their respective studies.

4.3 Population and Study Sample

The unit of analysis for the current study is taken as the prospective individual investors (Adil et al., 2022; Akhtar & Das, 2019). Hence, the population for the study could be defined as the prospective individual investors in Sri Lanka. The sample for the study is selected as the prospective individual investors residing in the Colombo district in Sri Lanka since Colombo is the district which has the highest population and highest mean income out of all districts of the country. Further, the population in the Colombo district has a relatively greater financial literacy level than the population residing in rural areas of the country (Central Bank of Sri Lanka, 2021; Central Bank of Sri Lanka & International Financial Corporation, 2021; Department of Census and Statistics, 2019, 2022). Moreover, convenience sampling followed by the snowball sampling technique is adopted as the sampling strategy for the current study (Adil et al., 2022; Akhtar & Das, 2019).

4.4 Sources and Collection of Data and Data Analysis Strategies

The use of primary data is much more suitable for studies of this nature as such data provides precise and real-time data that has not been used (Adil et al., 2022). Hence, the current study uses primary data which are collected through a self-administered questionnaire distributed through online platforms. For the purpose of data processing and analysis, Statistical Package for Social Sciences (SPSS) software is used.

5. DATA ANALYSIS AND RESULTS

5.1 Data Preparation, Presentation, Cleaning and Transformation

In order to ensure the collection of complete, accurate and unbiased data, the current study distributed 240 questionnaires in the form of Google Forms where all questions were made mandatory to answer. Accordingly, 202 responses from the respondents were received, resulting in an effective response rate of 84.17%. Further, no blank or missing responses were present as all the questions included and distributed through Google Forms were made mandatory to answer by the respondents. Therefore, the entire 202 responses received from the respondents were proceeded to SPSS for further statistical analysis.

5.2 Descriptive Statistics of the Demographic Profile and the Variables

The gender distribution of the respondents was somewhat equally distributed where 50.5% were females

and 49.5% were males. 79.2% of the respondents were within the age category of 20-29 years, 11.4% above 40 years, 5.9% between 30-39 years and 3.5% below 20 years. Among the respondents, 64.4% were undergraduates, 18.8% possessed a bachelor's degree, 9.4% were postgraduates, 5.9% have completed up to their G.C.E. Advanced Levels and 1.5% have completed only up to their G.C.E. Ordinary Levels. Moreover, 66.3% of the respondents had a monthly income less than Rs. 50,000, 15.3% with an income ranging between Rs. 50,0001 to Rs. 100,000, 10.9% having more than Rs. 200,000, 5.4% between Rs. 100,001 to Rs. 150,000 and 2% between Rs. 150,001 to Rs. 200,000.

The descriptive statistics of the variables indicated that the satisfaction level of the respondents with regard to their AT, SN and PBC towards II and their satisfaction level with regard to II were at the "neutral" level.

5.3 Reliability Testing

As outlined by Saunders & Lewis, (2019) and Sekaran & Bougie, (2016), Cronbach's Alpha is one of the most popular and widely used measures for testing the internal consistency and thereby, assuring the reliability, where a Cronbach's Alpha value greater than +0.7 is regarded as being reliable. Table 1 shows the Cronbach's Alpha values for the variables of the current study, where the Cronbach's alpha values for all variables are greater than 0.7, which ensures the internal consistency of the

indicators and thereby, can be regarded as being reliable.

Table 1. Reliability of the Variables

Variable	Cronbach's Alpha	Number of Items
Attitudes (AT)	0.872	3
Subjective Norm (SN)	0.793	3
Perceived Behavioral Control (PBC)	0.849	3
Investment Intention (II)	0.740	3

5.4 Correlation Analysis

Correlation measures the strength, direction and the significance of the relationships that exist between the variables, where it reflects a coefficient that ranges between -1 and +1. Table 2 shows the correlations between the independent variables and the dependent variable undertaken in the current study. As per the recommendations of Saunders & Lewis, (2019) and Sekaran & Bougie, (2016), the correlation analysis for the current study reveals that AT, SN and PBC have a significant and a strong positive correlation with II.

Table 2. Correlation Coefficients

Variables		AT	SN	PBC	II
Attitudes (AT)	Pearson Correlation	1	.619**	.464**	.594**
	Sig. (2-tailed)		0.000	0.000	0.000
Subjective Norm (SN)	Pearson Correlation	.619**	1	.553**	.611**
	Sig. (2-tailed)	0.000		0.000	0.000
Perceived Behavioral Control (PBC)	Pearson Correlation	.464**	.553**	1	.624**
	Sig. (2-tailed)	0.000	0.000		0.000

Perceived Behavioral Control (PBC)	Sig. (2-tailed)	0.000	0.000	0.000	0.000
	Pearson Correlation	.594**	.611**	.624**	1
Investment Intention (II)	Sig. (2-tailed)	0.000	0.000	0.000	

** Correlation is significant at the 0.01 level (2-tailed).

5.5 Regression Analysis

5.5.1 Model Summary

The Model Summary of the regression analysis indicates the explanatory power of the independent variables of the change in the dependent variable. Accordingly, an adjusted R^2 value greater than 0.5 is regarded as having a satisfactory level of explanatory power (Sekaran & Bougie, 2016). Table 3 shows the Model Summary for the current study, where its adjusted R^2 is 0.530, which indicates that 53% of the variance in II can be explained by AT, SN and PBC.

Table 3. Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.733 ^a	0.537	0.530	0.51641

a. Predictors: (Constant), Perceived Behavioral Control, Attitudes, Subjective Norm

5.5.2 ANOVA

The ANOVA table of the regression analysis tests the overall significance of the regression model where a sig value less than 0.05 is considered to be significant. Table 4 shows the ANOVA for the current study where the sig value is 0.000, which indicates that the overall regression model is significant.

Table 4. ANOVA

Model	Sum of Squares	df	Mean Square	F	Sig.
1 Regression	61.267	3	20.422	76.582	.000 ^b
1 Residual	52.802	198	0.267		
Total	114.069	201			

a. Dependent Variable: Investment Intention

b. Predictors: (Constant), Perceived Behavioral Control, Attitudes, Subjective Norm

5.5.3 Analysis of Regression Coefficients

The regression coefficients or the Beta values represent the number of units of change in the dependent variable caused by the change in one unit of each independent variable. Table 5 presents the Beta values for the independent variables of the current study, which indicates that the change in II is mostly accounted for by the change in PBC, followed by AT and SN respectively. Further, the sig values for all the three independent variables are 0.000, which is lesser than 0.05, indicating that they have a significant influence on II.

Table 5. Regression Coefficients

Variables	Standardized Coefficients Beta	Sig.
Attitudes (AT)	0.278	0.000
Subjective Norm (SN)	0.239	0.000
Perceived Behavioral Control (PBC)	0.363	0.000

5.6 Hypothesis Testing

The acceptance or rejection of a hypothesis can be performed also by evaluating the Beta and sig values of the regression coefficients. Table 6 indicates

that AT, SN and PBC have a significant positive influence on II as their Beta and sig values are 0.278 (0.000), 0.239 (0.000) and 0.363 (0.000) respectively. Therefore, this provides a solid basis for the acceptance of all three hypotheses which were proposed in the current study.

Table 6. Summary of Hypothesis Testing

Hypothesis	Beta Value	Sig Value	Accepted or Rejected
H1: Attitudes have an influence on investment intentions.	0.278	0.000	Accepted
H2: Subjective norms have an influence on investment intentions.	0.239	0.000	Accepted
H3: Perceived behavioral control has an influence on investment intentions.	0.363	0.000	Accepted

6. DISCUSSION AND CONCLUSION

6.1 Discussion of Findings

The current study intended to address the problem of low participation in the Colombo Stock Exchange by Sri Lankan individuals. In order to do so, the study aimed to determine the factors that influence a Sri Lankan prospective individual investor's intention to invest in the Colombo Stock Exchange by incorporating the TPB model. In order to achieve this purpose, the study established three objectives, namely, to identify the impact of AT on II, to identify the impact of SN on II and to identify the impact of PBC on II, which were then hypothesized and analyzed.

The results of the data analysis revealed that all three constructs of the TPB

model were significant in predicting IIs of prospective individual investors while having a positive influence on the same. It was found that among all the TPB constructs, PBC was the most influential factor on II, which corresponds with the results of the studies of Mahastanti & Hariady, (2014), Raut et al., (2018) and Sobaih & Elshaer, (2023). AT was found to be the second most influential factor on II, which is similar to the findings of the studies conducted by Adil et al., (2022), Akhtar & Das, (2019) and Gopi & Ramayah, (2007). Moreover, SN was also found to have a significant positive influence on II, which were consistent with the results of the studies of Ibrahim & Arshad, (2017), Alleyne & Broome, (2011) and Pahlevi & Oktaviani, (2018).

6.2 Implications of the Study

The current study analyzed the proposed relationships by the TPB model, where the findings revealed that all three constructs of the model had a significant positive influence on IIs of individuals, which were also substantiated by prior research studies, which then validated the relationships proposed by the theory. Therefore, it can be concluded that as far as investment decision-making by individuals is concerned, the three constructs of the TPB, AT, SN and PBC, are competent in apprising the investment intention of Sri Lankan prospective individual investors in the stock market.

The findings of the study will also be of use to governments and regulatory authorities to find ways of sourcing the

funds placed by Sri Lankans in savings and time deposits towards financial markets while increasing the stock market participation. This could be done by simplifying the investment processes, reducing transaction costs, or offering tax incentives for investors. The study found that AT to be a significant influencer of II, where steps can be taken to enhance attitudes of individuals through financial education by providing courses and programs in financial management. Initiatives could also be taken to introduce new attractive and entertaining ways to allow the public to learn about stock investments and stock market functioning. As another measure, a framework for measuring the financial literacy level of individuals could also be introduced to the public as well. These measures will contribute to develop favorable attitudes within individuals regarding stock investments, which will consequently increase stock market participation. The study also found that PBC to influence individual IIs the most, which might be useful for financial experts such as stockbrokers, investment analysts and advisors where they could take steps to make investment initiation processes much simpler while reducing the amount of paperwork and documentation that is required for such purposes. Rather than just presenting risks and returns of each investment opportunity separately and expecting investors to craft their own portfolios, investment advisors and analysts could also provide existing and potential investors with different investment portfolio options based on different

maturity time horizons or based on individual behavioural characteristics of investors that best suits them which will enhance the perceived ease of investing, subsequently increasing the stock market participation.

6.3 Limitations and Scope for Future Research

The current study was limited to investigating the investment intention of individuals in equity markets, where actual behavior in equity markets and investment intention in other financial markets might significantly differ. Further, the use of convenience and snowball sampling methods introduces limitations to the study, such as potential biases and reduced generalizability of findings to the broader population of prospective individual investors in Sri Lanka. Moreover, the assumptions underlying the statistical tests, i.e., normality, linearity and homoscedasticity, were not tested. Thus, the scope of future research could be directed towards investigating the actual behavior of individuals in equity markets and investigating investment intentions and actual behavior of individuals in other financial markets. Future research could also extend the TPB model by incorporating behavioral factors proposed by theories such as the Heuristic Theory, Prospect Theory and Herding Behavior.

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The Impact of Financial Knowledge and Financial Self-Efficacy on Financial Behavior of Undergraduates in Sri Lanka

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ABSTRACT

The concept of personal finance management has become an important topic at present due to the uncertainties in the financial and economic environment. Due to certain policies undergraduates are facing financial losses in their lives. A limited amount of research has been done on the combination of financial knowledge and financial self-efficacy on personal financial management behavior. Therefore, the purpose of the study is to identify the impact of financial knowledge and financial self-efficacy on the personal finance management behavior of undergraduates in Sri Lanka.

The study was conducted based on a positivist research philosophy and quantitative method. As the sample of the study, 200 undergraduates in the western province of Sri Lanka were surveyed using a structured questionnaire under the convenience sampling method. The analysis of this study was done by using the statistical tool of SPSS and the results of the study show that financial knowledge and financial self-efficacy had a significant and positive relationship with financial management behavior. That is in line with the previous research as well. Finally, this study's findings have important implications for policy development to enhance undergraduates.

financial behavior through educational programs, including the significance of financial knowledge and financial self-efficacy.

Keywords— Financial behavior, Financial Knowledge, Financial Self-efficacy, Undergraduates

1. INTRODUCTION

The way that people handle their finances has a significant impact on the welfare of their families, communities, country, and the world at large. How people manage their finances, allocate their resources, and make financial decisions is referred to as their financial behavior. In many cases, undergraduate students face financial losses due to certain policies (OECD, 2013), also young individuals face great financial pressure in their early life (Chong et al., 2021). Therefore, this study will investigate the financial management behavior of undergraduates. Undergraduate education is crucial for young individuals' academic and personal growth, but it can be financially challenging and have long-term impacts on their lives. The financial habits of young adults, particularly those pursuing higher education, can significantly impact them.

their long-term stability. Undergraduates are especially vulnerable to financial issues, handling credit cards, educational loans, and other financial commitments.

According to the (Central Bank of Sri Lanka, 2021) financial literacy rate of adults in Sri Lanka is 57.9%. Compared the other countries Sri Lankan financial literacy rate of adults is relatively high rate (Organization for Economic Co-operation and Development, 2020). According to the Sri Lankan household income and expenditure survey, the average monthly household income is Rs.76,414 and the average monthly household expenditure is Rs.63,310, as a percentage of monthly expenditure from the income is 82.85%. (Department of Census and Statistics, 2019). When comparing the income and expenditures of households, the level of expenditure is relatively higher than the income. Apart from the expenditure, household income was distributed for savings and investment as a percentage of 17.15%. When comparing the expenditures, it is a lower rate. Although the financial literacy rate is high, Sri Lankan households are at a low in terms of income and expenditure management. Undergraduates act according to those financial habits. Financial knowledge and financial self-efficacy concepts are very important concepts to affect financial behavior but there is only a limited number of research conducted on the combination of these two concepts (Anasta, 2019). According to that, this research aims to identify the impact of personal finance management behavior of undergraduates in Sri Lanka, the combination of the two concepts of financial knowledge and financial self-efficacy.

The next section covers the literature review. Thereafter, conceptual framework and hypothesis development are discussed. It is followed by data collection, methodology, results, discussion, managerial implications, limitations, and conclusions.

2. LITERATURE REVIEW

2.1 Personal Financial Behavior

The study of financial management behavior continues to attract interest across a variety of academic fields, including consumer behavior, financial planning, financial service marketing, and the complicated area of behavioral finance (D. M. Bapat, 2020). Behavioral finance is a relatively new and advanced field of study that applies behavioral psychology to economic decision-making. It aims to understand why rational individuals often make unsound investments when they have money to invest (Ahmad et al., 2019). The area of personal financial behavior has gained considerable prominence in recent years, attracting the interest and attention of governments from all over the world, as well as development organizations and the World Bank. (OECD, 2016). This is because societies are gradually coming to understand the impact that individual, family, social, and economic decisions on personal finances (O. Gidigbi & Donga, 2020). Personal financial behavior encompasses various actions and choices individuals make to manage their financial resources, including budgeting, saving, retirement planning, investing, and regularly assessing their financial situation. It involves complex patterns of spending, saving, retirement planning, and investment decisions (Hilgert et al., 2003). Financial success enhances quality of life, health, and social integration. Adopting desirable financial habits is crucial for personal prosperity, while unfavorable habits can negatively impact economic stability (Goyal et al., 2022). According to (Garg & Singh, 2018) High financial behavior involves active participation in stock markets, dedicated saving habits, prompt bill payments, and careful financial assessment. They self-evaluate goods' economic value, plan for retirement, manage resources, obtain low-cost borrowing options, and monitor household expenses. They have bank accounts, use

formal credit, make informed choices, and manage spending efficiently.

2.2 Factors Affecting Individual's Finance Behavior

The nature of personal finance is multifaceted, existing in the factors of psychology, sociology, finance, and economics (Goyal et al., 2023). Accordingly, much research has focused on how psychological and social characteristics affect an individual's personal finance management behavior. Psychological characteristics such as financial literacy, attitudes towards money, financial self-efficacy, financial risk tolerance, external locus of control, materialism, self-control, and procrastination are some identified as factors influencing financial behavior. (Anasta, 2019), (Herawati et al., 2020), (Carlsson Hauff & Nilsson, 2017), (HUSTON, 2010) (Goyal et al., 2023) (Goyal et al., 2022). The term "financial socialization" refers to the unconscious or conscious acquisition of financial knowledge, abilities, attitudes, and behaviours by individuals as a result of key socialization agents such as parents, schools, and workplaces (Goyal et al., 2023). Individuals' knowledge and behaviours are first learned from socialization agents including adults, parents, siblings, other family members, peers, media, and schools, and then they are performed as adults (Gudmunson & Danes, 2011).

2.3 Financial Knowledge

Personal financial knowledge includes both objective and subjective assessments of an individual's understanding of financial concepts and products (Lind et al., 2020). (Kholilah & Iramani, 2013) defined financial knowledge as an individual's understanding of personal financial issues as determined by their familiarity with various personal financial concepts. According to (Siswanti &

Halida, 2020) Financial knowledge is the knowledge of financial management in making financial decisions. A person gains knowledge from a variety of sources, including emergencies, observations, and conceptualizations (D. Bapat, 2020). The possession of information about financial matters and the ability to understand it is referred to as having financial knowledge. Understanding fundamental financial concepts and products requires a strong background in finance (D. Bapat, 2020). Unfortunately, young people of today, particularly college students, lack the maturity to manage their finances. The majority of young adults are now experiencing financial difficulties. They have to make difficult financial decisions at their ages, especially early in their careers, which causes this problem because they lack knowledge of finances (Yahaya et al., 2019). According to the (OECD, 2013) a financially literate person will have a basic understanding of financial concepts. Consequently, financial knowledge is referred to as a crucial component of financial literacy and is frequently used as a synonym for financial literacy (HUSTON, 2010). Responsible financial behavior includes prioritizing spending based on needs rather than wants and making on-time payments on credit card debt. A financially responsible person is also likely to live within their means and is less likely to go over their credit limit. Individuals can therefore protect their long-term financial health by receiving financial education (van Deventer, 2020).

2.4 Financial Self-efficacy

Developing good financial behavior today requires more than just financial knowledge and skills (Herawati et al., 2020). There is motivation within oneself, which is the belief in one's ability to achieve goals or what we call financial self-efficacy (Gunardi et al., 2017). According to the (Bandura, 1977) self-efficacy is a belief that one can master a situation and produce a positive outcome.

(Bandura, 1977) argues that people's self-beliefs about their abilities have an impact on behavior and motivation. Self-efficacy can be affected by vicarious observations, verbal behavior from oneself or others (such as self-incentives, instructions, persuasion, praise, etc.), or physiological states like increased heart rate, perspiration, and fatigue, which may be interpreted as indicators of inefficacy (Bandura, 1982) (Furrebøe & Nyhus, 2022). In behavioural psychology, the concept of self-efficacy broadly refers to a person's sense of self-agency, which is supported by a belief that they can complete a task and, more generally, cope with life's challenges (Bandura, 1977). Self-efficacy can be demonstrated by a person's ability to persevere in the face of difficulty, their outlook on the future, and their tendency to think positively or negatively about themselves (Bandura, 2006) (Farrell et al., 2016). Financial self-efficacy enables people to form positive beliefs about their capacity for managing their finances and to effectively respond to a range of challenges with confidence and control (Kuhnen & Melzer, 2017). Individuals' financial self-efficacy affects their cognitive process, enabling them to evaluate returns and risks in investment and consumption decisions. This encourages them to make sound financial decisions that yield long-term benefits (Oaten & Cheng, 2007). High self-efficacy people tend to focus their attention on identifying and taking advantage of opportunities while actively avoiding obstacles in the hope of achieving positive and constructive outcomes. For instance, a financial consumer with high self-efficacy will anticipate an increase in welfare if they can save, obtain credit, use insurance services, make payments, and invest, and will view the challenges to inclusion as simply part of the game (Mindra et al., 2017). Low self-efficacy individuals frequently experience a lack of perceived control over their circumstances, and they frequently focus more on

anticipating failure than success (Furrebøe & Nyhus, 2022).

2.5 Theoretical Background

According to a person's or family's needs, goals, and talents, managing money requires a complex combination of actions and decisions that vary in relevance and ease of execution. Given the wide range of potential antecedents, a multi-theoretical and interdisciplinary approach is necessary to explain financial management behaviours. (Goyal et al., 2023). The theory of planned behavior (TPB) (Ajzen, 1991) places a strong emphasis on the contribution of psychological traits to the comprehension and prediction of human behavior (Goyal et al., 2023). Ajzen's (Ajzen, 1991) theory of planned behavior (1991) examines how attitude, intentions, and behavior are interrelated, emphasizing the significance of psychological traits. Financial knowledge of financial behavior may be affected by one's attitudes, sense of control, and subjective norms (Xiao et al., 2011) because the Consumers' decision-making and behavior can be impacted differently by subjective and objective knowledge (Xiao et al., 2011). Albert Bandura (Bandura, 1977) developed the social cognitive theory, which explains behavioural patterns through learning. Bandura's theory of self-efficacy has implications for motivation. The scope of Social Cognitive Theory (SCT) is wider and more comprehensive than behaviorism and social learning, which have been the basis of our approach to behavioral management. Social cognitive theory covers cognitive constructs like self-regulatory mechanisms that go beyond just learning or modifying behavior (Stajkovic & Luthans, 1998). According to (Bandura, 1989) in the absence of self-efficacy, knowledge, skill, and past success are insufficient indicators of future achievement. If self-confidence is necessary to take on difficult tasks, self-efficacy may be a psychological quality that fosters ambition (Goyal et al., 2022).

3. CONCEPTUAL DIAGRAM

The existing studies about the relationship between financial knowledge and finance behavior show that there is a significant positive relationship between these two concepts (D. Bapat, 2020), (Ahmad et al., 2019), (Thi et al., 2015), (Tang et al., 2015), (Asmin et al., 2021). This implies that an individual's financial behavior tends to improve favorably as their level of financial knowledge rises. Also, some studies explain that financial knowledge has a significant effect on financial behavior (Sam et al., 2022) (Siswanti, 2020), (Pathirannahalage & Abeyrathna, 2020), (Asmin et al., 2021). This suggests that a person's approach to managing their finances can be noticeably influenced by their level of financial knowledge.

The prior research studies about the relationship between financial self-efficacy and finance behavior show that there is a significant positive relationship between these two concepts (Chong et al., 2021), (Khobani et al., 2018b), (Bari et al., 2020), (Ahmad et al., 2019). That means individuals who have higher levels of financial self-efficacy are more likely to engage in financial planning, budgeting, and goal setting. Apart from that some researchers suggest that financial self-efficacy has a significant moderating effect on financial behavior (Ali et al., 2016), (Sabri et al., 2020). The moderating effect refers to the influence or change in the relationship between financial knowledge and financial management behavior.

Based on the prior literature the following hypotheses were tested,

H1; There is a relationship between Financial Knowledge and Financial Behavior.

H2; There is a relationship between Financial Self-efficacy and Financial Behavior.

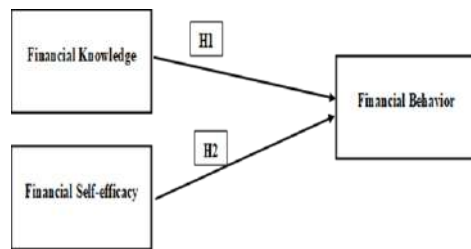


Figure 1. Conceptual Framework

4. METHODOLOGY

The current study is conducted using positivist philosophy and used deductive approach to answer the research questions (D. M. Bapat, 2020), (D. Bapat, 2020), (Herawati et al., 2020), (Khobani et al., 2018a), (Chong et al., 2021), (Anasta, 2019), (Sam et al., 2022). To investigate the objective of identifying the impact of financial knowledge and financial self-efficacy on personal finance behavior this research employed a quantitative approach using a cross-sectional survey. The population of this study was undergraduate students in Sri Lanka. Among the population, the population of the western province was selected as the sample considering the level of literacy. That is, the literacy level of the urban population is high compared to the rural population. In the western province it is 28.16% (Central Bank of Sri Lanka, 2021). The nonprobability sampling method was used for this study due to its convenience, accessibility, cost-effectiveness, and time-efficiency compared to the probability sampling method. A questionnaire that was given to the respondents directly was used to gather the data. The collected data then were analyzed using IBM SPSS Statistics 27 version software.

5. DATA ANALYSIS AND RESULTS

5.1 Descriptive Statistics

Based on the demographical results of the data obtained the majority are aged between 20 – 24 which is 170 respondents as a percentage is 85%. According to the data, 93% (186) of respondents have a savings account which is the majority number of respondents. The majority of respondents have a monthly income level of between Rs. 100,001 and Rs. 200,000 49% (98). Of the total respondents 128 (64%) respondents maintain a household budget in their family.

The data pertains to the participants' responses regarding financial behavior, self-efficacy, and financial knowledge. The created survey questions were taken from previously approved, valid items (PERRY & MORRIS, 2005), (Liu & Zhang, 2021), (Mukrimaa et al., 2016). Five items were employed to measure financial knowledge, five items were used to measure self-efficacy, and fourteen items were used to measure the finance management behavior of undergraduates. The responses ranged of all items from strongly disagree to agree strongly.

5.2 Reliability Testing

Table 1. Cronbach's Alpha Value

Variable	No. of Items	Cronbach's Alpha Value	Result
Financial Knowledge	5	0.807	Good
Financial Self-efficacy	5	0.812	Good
Financial Management Behavior	14	0.879	Good

*Acceptable = $0.8 > \alpha \geq 0.7$, Good = $0.9 > \alpha \geq 0.8$, Excellent = $\alpha \geq 0.9$ *

All of the Cronbach's alpha values are above 0.7, as can be seen from the table above. The alpha value of independent variables of financial knowledge is 0.807 while financial self-efficacy shows an alpha value of 0.812, the dependent variable of financial management behavior Cronbach's alpha value is 0.879 and as a result, the study's findings were supported by this research's validity. Because all of

the items for this study were taken from earlier research studies by scholars, and successful Cronbach's alpha values were obtained.

5.3 Correlation Analysis

Table 2. Pearsons Correlation Scores

	Pearson Correlation	1	.768**	.724**
FK_Mean	Sig. (2-tailed)		< 0.001	< 0.001
	N	200	200	200
	Pearson Correlation	.768**	1	.661**
SE_Mean	Sig. (2-tailed)	< 0.001		< 0.001
	N	200	200	200
	Pearson Correlation	.724**	.661**	1
FB_Mean	Sig. (2-tailed)	< 0.001	< 0.001	
	N	200	200	200

** . Correlation is significant at the 0.01 level (2-tailed).

The Pearson correlation analysis reveals a significant relationship between financial knowledge and financial management behavior, with a correlation value of 0.724 and a strong positive relationship between financial knowledge and overall financial behavior. The relationship between financial self-efficacy and financial management behavior is also statistically significant, with a correlation value of 0.661 and a strong positive relationship between the two variables, indicating a strong positive relationship.

5.4 Hypotheses Testing

Table 3. Hypotheses test result

Hypothesis	β	Sig.	Accepted or rejected.
H1 - There is a relationship between Financial Knowledge and Financial Management behavior.	0.528	< 0.001	Accept
H2 - There is a relationship between Financial Self-efficacy and Financial Management behavior.	0.256	< 0.001	Accept

The relationship between financial knowledge and financial management behavior is significant ($p < 0.001$) and the positive coefficient β value is 0.528. The

study indicates a significant positive correlation between financial knowledge and financial management behavior among undergraduates in Sri Lanka, rejecting the null hypothesis (H01). The relationship between financial self-efficacy and financial management behavior is significant ($p < 0.001$) and the positive coefficient β value is 0.256. The study indicates a significant positive correlation between financial knowledge and financial management behavior among undergraduates in Sri Lanka, rejecting the null hypothesis (H02).

5.5 Anova

Table 4. Anova Table

ANOVA ^a					
Model	Sum of Squares	df	Mean Square	F	Sig.
1 Regression	32.668	2	16.334	121.120	.000 ^b
Residual	26.567	197	0.135		
Total	59.235	199			

a. Dependent Variable: FB_Mean
 b. Predictors: (Constant), SE_Mean, FK_Mean

The study's model, tested using Anova's p-value, is statistically significant with a p-value of 0.000, below the 0.05 threshold for significance.

5.6 Model Summary

Table 5. Model Summary

Model Summary				
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.743 ^a	0.551	0.547	0.36723

a. Predictors: (Constant), SE_Mean, FK_Mean

The 0.547 represents the moderate effect of financial knowledge and financial self-efficacy on financial management behavior. This also means that 0.547 of the variances in finance management behavior.

are explained by financial knowledge and financial self-efficacy.

6.DISCUSSION AND CONCLUSION

6.1 Relationship between Financial Knowledge and Financial Management Behavior

The first objective of the study was to identify the impact of financial knowledge on financial management behavior. The analysis revealed a significant positive relationship between financial knowledge and financial behavior, with a standardized β value of 0.528, indicating that it was higher.

financial knowledge leads to more positive financial behaviors, suggesting that higher undergraduate financial knowledge is associated with better financial outcomes. The current study's findings are in line with the prior studies' findings (Ahmad et al., 2019), (Thi et al., 2015), (Perry & Morris, 2005), (Siswanti, 2020), (C. Robb & Woodyard, 2011), (Zainul Arifin, 2018), (Nur Riska Agustina & Mardiana, 2020), (Arifin, 2017), (Yahaya et al., 2019), (Asmin et al., 2021).

6.2 Relationship between Financial Self-efficacy and Financial Management Behavior

The second objective of this study was to identify the impact of financial self-efficacy on financial management behavior. The study found a significant positive relationship between financial self-efficacy and financial knowledge, with a significance value of < 0.001 and a standardized β value of 0.256. This suggests that increasing one standard deviation of financial self-efficacy leads to a higher predictive value of financial behavior in undergraduates. The findings of this study are in line with the majority of previous research findings, which show that individuals with higher financial self-efficacy exhibit more responsible financial

management behavior (Ahmad et al., 2019), (Herawati et al., 2018), (Asmin et al., 2021), (Chong et al., 2021), (Lukesi et al., 2021). Overall, the findings of this study generally assure the findings of the previous research and it shows a significant correlation between financial knowledge, financial self-efficacy, and financial management behavior.

6.3 Theoretical Implications

This study explores the relationship between financial knowledge and self-efficacy in financial management behavior among undergraduates. It highlights the multidimensional approach to understanding financial behavior, based on plan behavior and social cognitive theory. The findings show a significant positive relationship between financial knowledge and self-efficacy in financial management behavior, highlighting the increasing importance of finances in Sri Lanka and globally. This study uses behavioral economics to understand why people make poor financial decisions due to biases and heuristics. Poor decisions include focusing on the present and not understanding future savings, putting off retirement savings, and overestimating debt repayment capacity. Developing strategies using behavioral economics can improve financial decisions. This study addresses the gap in research on the impact of financial knowledge and self-efficacy on financial behavior, highlighting the need for a comprehensive understanding of these factors in Sri Lanka.

6.4 Managerial Implications

The study highlights the importance of financial knowledge in influencing undergraduates' financial management behavior. It suggests that educational institutions and financial counselors should promote financial responsibility through education seminars, counseling, motivational programs, and awareness programs. Financial self-efficacy also

positively impacts personal financial management behavior, emphasizing the need for young people to build confidence in their finances early in life. The 2008 global crisis and the 2019 Covid-19 pandemic have raised concerns about financial literacy and management. This study aims to help policymakers, financial education institutions, and researchers develop strategies to address these crises. The findings will help the public sector create instructional plans for better financial organization, saving, and preventing defaults. The research can inform seminars on management enhancement, financial knowledge enhancement, and positive financial behaviors. It can also be used to develop higher education curricula emphasizing personal financial management behavior and setting high standards for the community, particularly students.

6.5 Limitations and Recommendations

The study on financial management behavior among undergraduates in Sri Lanka has a significant literary impact, but it has limitations. It is geographically limited and only covers undergraduates in the Western provinces. Participants may provide socially desirable responses, which may affect data accuracy. The quantitative methodology used in the study was time-limited, and respondents were limited by closed-ended questionnaires. A qualitative approach could provide a deeper understanding and insights into financial behavior. Future research could consider a mixed methodology or a quantitative methodology for more insightful data. This study only considered the province with the highest financial literacy, which could be expanded to other provinces. The study was limited to undergraduate students, post-graduates, university lecturers, and teachers. It also failed to consider mediating and moderating factors, which could be explored in future research. The study aimed to explain how psychological.

factors like financial knowledge and self-efficacy directly impact financial management behavior, but they neglect mediating and moderating factors. Therefore, future research should explore how these factors indirectly affect financial management behavior.

7. CONCLUSION

This study investigates the relationship between financial knowledge and financial self-efficacy in undergraduate financial management behavior in Sri Lanka. It fills an existing empirical gap in the literature and supports the hypothesis that there is a significant positive relationship between financial knowledge and financial self-efficacy. The findings provide implications for theoretical background in financial behavioral economic understanding and for managers, educational institutions, financial counselors, policymakers, and the government to be more aware of financial management behavior and provide better financial management practices to undergraduates and young adults. However, the study's limitations suggest areas for future research, and the findings offer valuable insights for future study and application.

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The Study of Past Behavioral Biases on Investment Intention by Expanding the Theory of Planned Behavior

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ABSTRACT

Compared with recent years, there has been a significant improvement in investors' participation in the financial market because of the high liquidity of the instruments in the financial market. However, investors won't understand the investment objectives and they are getting misled by the inaccurate guidance of the investment advisors. More than those observations related to financial markets have a significant impact on past experience towards the investment intention. So, by expanding the theory of planned behavior (TPB) to include past behavioral biases, explore the factors that influence the investment intention, and develop a better understanding regarding the Colombo stock exchange (CSE). The conceptual framework of this study consists of the theory of planned behavior factors namely attitude subjective norms, perceived behavior, and the dependent variable of investment intention of investor. Furthermore, this study is

based on the theory of planned behavior. (TPB) and relies on the deductive approach. This is a quantitative study that used five-point Likert scale questions to collect data from respondents in Sri Lanka. A sample size of 384 respondents has been collected from the most convenient investor in Sri Lanka and convenient sampling as the sampling technique for this study. Analysis of this study is done through the SPSS statistical tool. Through the analysis segment, it has been discovered that all four independent variables namely attitude, subjective norms, perceived behavior, and past behavioral biases have a significant impact on the dependent variable investment intention of investors. Moreover, this study will provide a theoretical implication and managerial implication to presume effective information to all the stakeholders of the Colombo Stock Exchange (CSE).

Keywords — Theory of Planned Behavior, Past Behavioral Biases, Investment Decision Making, Attitude, Subjective Norms, Perceived Behavior.

1. INTRODUCTION

When we analyzed the financial market, we can observe that many developed financial instruments were engaging in the market. So, as an investor and individual, they are facing so many difficulties when making the right choice regarding their investment. But the most important thing is that as human beings investors are more focused on the satisfaction of their investment rather than making optimum decisions regarding the investment (Tversky & Kahneman, 1974). Prior studies observed this side related to the economic perspective (Fama, 1970). The one of early theories that was used was “utility theory”. It was claimed that rational investors or rational decision-takers make decisions by the anticipated return on their investment (Raut et al., 2018). Therefore, in a sense, a rational decision-maker would make use of all existing facts by evaluating the various alternatives and picking the best course of action. In most prior studies they are based on some theories like portfolio theory, capital asset pricing, and capital market efficiency. So far, many of these concepts are impractical since it is unusual for individuals to even have access to enough knowledge, to be motivated enough, and to have enough time to make flawless logical judgments (Raut et al., 2018). The decision-making process would be irrational and rational. And more those irrational decisions are affected by psychological factors and

cognitive factors (Raut et al., 2018). So, what most important thing is knowledge of investment. Knowledge of investment helps investors to manage their risk and make good effective decisions in the market. But as just said above, investors were not receiving all effective information in their hands in the real world. As a result, they didn't understand the objectives of their investment. Moreover, they faced a doubtful situation regarding their expected return on the investment (Akhtar & Das, 2019). As rational investors in the market, investors try to get the best benefits or the return out of what they invest in different types of investments. That means investors are always trying to get the optimum investment decision and aligning with that they are trying to get the rational investment decisions. The decision-making process can be a rational one or can be an irrational one. Investors are making irrational investment decisions because of psychological and cognitive biases (Raut et al., 2018). As we know from the prior studies investors' investment decisions were not accurate, and they were not rational because of several factors. So that means most of the investment decisions of the investors will be affected by behavioral finance factors and it may lead to many consequences of the rationality of the investment decision. Most of the time rational investment decisions will be affected by psychological and cognitive factors and it may lead to numerous pros and cons for the investor. As the prior studies have been presented 32 % of

the investors failed to understand investment objectives and over 30% of investors are conflicted between their own opinions and the advice of their financial advisor (Akhtar & Das, 2019). So, after the invention of the theory of planned behavior in 1991, most of the research and studies were done by considering the theory of planned behavior. This study proposes how the theory of planned behavior (TPB) factors (attitudes, subjective norms, and perceived behavior) affect investment intention, which is regularly used in other disciplines of study. Furthermore, as a new area, this study extends the theory of planned behavior (TPB) model by including the component of past behavioral biases (PBB) as an extra measurement to look at people's investment behavioral intentions. Most similar studies did their research only related to the TPB model factors of attitudes, subjective norms, and perceived behavior. But further news in this study explores how the theory of planned behavior factors and the factors of past behavioral biases affect investment intention. In keeping with the foregoing, Kidwell & Jewell (2008) said that understanding an individual's previous conduct is crucial to understanding their present behavior, and as a result, it will have a major influence on their intention and behavior. According to Raut et al. (2018), past behavior describes the way a person has behaved or responded to certain stimuli in the past. Research has demonstrated that independent of how other elements in the theory of planned behavior are managed.

Past behavior can give extra analytical power to intention forecasting (Kidwell & Jewell, 2008). (Dolores Albarracin & Robert S. Wyer, 2000) empirically show that independent of outcome-specific cognitions, an individual's past conduct is greatly impacted by future intentions. Based on that there are limitations regarding previous models as because of not considering the past behavioral biases. Less analytical power is one main limitation regarding the previous models because they did their studies only considering the TPB factors. Furthermore, most of the studies were done in the context of the Indian and Malaysian markets but not in the Sri Lankan context. Therefore, this study considers the Sri Lankan stock market context and the investors of the Colombo Stock Exchange (CSE). Moreover, this study will be helpful for all the current and potential investors as a financial education portal. In addition, this research will be very needful for the investment promotional strategies of the Sri Lanka. Because in now days investors and individuals are away from the investment market because of lack of knowledge and fluctuations in the economy. Because of that current investors and potential investors can use this study to learn more about how investment decisions are affected through past behavioral factors other than theory of planned behavioral factors. By that administration of the CSE can also be useful for developing promotional strategies with relevant to

encourage more individuals to make investments.

2. LITERATURE REVIEW

2.1 Theoretical Background

The theory of planned behaviour can be identified as a theory that is developed through the theory of reasoned action (Ajzen, 1991). The principal concept of TPB is that any planned conduct is preceded by a certain degree associated with intentionality (Lortie & Castogiovanni, 2015). This theory explains how attitudes, subjective norms, and perceived behavioral control impact behavioral intention (Ajzen, 1991). According to the (Aditami, 2016) theory of planned behavior (TPB), which has a solid theoretical and empirical foundation. The principal concept of TPB is that any planned conduct is preceded by a certain degree associated with intentionality (Lortie & Castogiovanni, 2015). Both theories relate to freely chosen reactions for which explanations may be offered (East, 1993). Many studies have conducted their research based on the theory of planned behaviour within the context of investment and finance. Such as the study which is done related to the three companies in England (East, 1993). (Akhtar & Das, 2019) did a study about predictors of investments intention by extending the theory of TPB and this study done by analyzing the Indian stock market. However, few studies have comprehensively examined how past behavioural biases influence investment intentions within the

framework of TPB, particularly in Sri Lankan context. Moreover, there were few studies conducted regarding how TPB factors and past behavioural biases affected investment intention relevant to the Sri Lankan context. This research aims to bridge this gap by exploring how the theory of planned behaviour factors and the past behaviour factors affected investment intention in the Sri Lankan context relevant to the Colombo stock exchange.

2.2 Attitudes

Attitude can be described as the point at which an individual's favourable or unfavourable evaluation regarding a specific performing behaviour (Ajzen, 1991). When there is a more positive attitude there is a higher chance of having a positive impact on individual behaviour and if there is a negative attitude thereto is a higher chance be a weaker individual behaviour (East, 1993).

2.3 Subjective norms

Subjective norms are described as what is believed to be social pressure to execute or not execute the behavior (Raut et al., 2018). (Raut et al., 2018) mentioned that subjective norms have a significant impact on the decision-making process, and if an investor lacks financial knowledge, he or she relies on the suggestions given by his family, relatives, or closest friends.

2.4 Perceived Behavior

Perceived behavior control is described as an individual's assessment of how easy or challenging it is to complete the activity of interest, assuming the existence or lack of necessary assets and opportunities (Ajzen, 1991).

2.5 Past behavioral biases

Past behavioral biases are defined as an individual's behavior or response to any stimulus in the past (Raut et al., 2018). Studies have shown that past behavior can contribute additional analytical strength to the forecasting of intention, regardless of how other factors in the model of planned behavior are controlled (Kidwell & Jewell, 2008).

2.6 Investment Intention

Investment intentions can be described as the reasons why an investor should invest (Akhtar & Das, 2019). There are two kinds of investment intentions. The first one is a short-term investment and the second long-term investment intention (Sashikala & Chitramani, 2018).

2.7 Based on the above literature below hypothesis are proposed.

H₁ – Investment intention significantly influenced by the attitude.

H₂ - Investment intention significantly influenced by the subjective norms.

H₃ - Investment intention significantly influenced by the perceived behavior.

H₄ - Investment intention significantly influenced by past behavioral biases.

3. CONCEPTUAL DIAGRAM

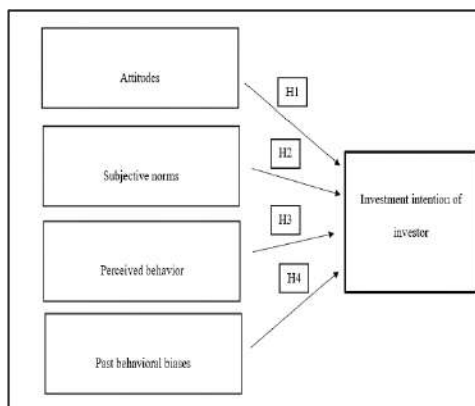


Figure 1: Conceptual Framework

4. METHODOLOGY

Deductive reasoning provided the base for the investigation and this quantitative study can be classified under the positivism philosophy. The study was performed by using the survey method under survey strategy it was distributed five-point Likert scale online questionnaires among potential and current investors in CSE. Accordingly, the unit of analysis of this study is individuals. As the similar study in this area, they have taken the sampling method as the convenience sampling to do the research (Vorobyova et al., 2022). Because on that basis sampling method of this research determined as convenience sampling. In convenience sampling they select the group of people, or the sample set based on the accuracy of access to the sample. That means they select the sample or the group that they can reach easily. Because of user friendliness, and low cost this sampling method is the most used technique for research (Etikan,

2016). As the Colombo stock exchange (CSE) there are 750,000 investors are investing in the there. According to morgan table sample size for the investigation was determined as 384. Consequently, this study utilized primary data sources. All the current investors who are engaging in CSE transactions were stated as the population of the study and sample of the study is most convenient investors in CSE. This cross-sectional study utilized a convenient sampling technique to point out sampling units from the entire population. To perform descriptive and inferential analysis SPSS software was utilized and via conducting correlation and regression analysis.

5. DATA ANALYSIS AND RESULTS

5.1 Descriptive Statistics for Demographic Profile

For the analysis purposes 198 responses were collected. Out of the total respondents 198, there were 124 male valid responses. And out of valid responses 198, 74 are female responses. Therefore, the majority of responses are gathered from male participants. Among respondents who are in the age range of 20 to 30 years is 69.7 %, which represents the highest rate of age distribution. When considering the individual's marital status. out of total 198 individuals, 141 individuals are unmarried, as a percentage it is 71.2%. Out of a total of 198 individuals, 57 individuals are married. The majority of the responses were from unmarried people.

participants. By evaluating the educational status of respondents, it denotes 106 individuals, and as a percentage 53.5% of total responses came from undergraduate individuals. Considering the monthly income level of the individuals who are responding to the questionnaire of this study. The majority of responses are from the category of less than 50, 000 and as a percentage it is 49.5% out of 198 valid responses.

5.2 Reliability Analysis

Table 1: Reliability Analysis

Variable	Cronbach's Alpha	No of items	Conclusion
Investment intention	0.772	3	Reliable
Attitude	0.707	3	Reliable
Subjective norms	0.732	3	Reliable
Perceived behavior	0.716	3	Reliable
Past behavioral biases	0.748	5	Reliable

Cronbach's Alpha values for each independent variable and the dependent variable are indicated here. Based on the information given, the independent

variables of attitude, subjective norms, perceived behavior, and past behavioral biases indicate Cronbach's alphas values as 0.707, 0.732, 0.716 and 0.748. Moreover, that dependent variable shows Cronbach's alpha value of 0.772. As all the independent variables and dependent variables indicate above 0.7 ($\alpha > 0.7$) Cronbach's alpha values, all the variables of this study have strong validity and reliability. Furthermore, there is the highest reliability for investment intention at 0.772 and there having the lowest reliability for attitudes is 0.707.

5.3 Correlation Analysis

Table 2: Correlation Analysis

Dependent Variable	Independent Variable	Pearson correlation	Significance of the relationship
Investment intention of investor	Attitude	0.565	0.000
Investment intention of investor	Subjective norms	0.581	0.000

Investment intention of investor	Perceived behavior control	0.581	0.000
Investment intention of investor	Past behavioral biases	0.648	0.000

The correlation between the dependent variable investment intention of the investor (IID) and the independent variables known attitude (AAT), subjective norms (SN), perceived behavior control (PBC), and past behavioral biases (PBB) are represented in Table 2. According to Table 2, the Pearson correlation (r) between attitude (AAT), subjective norms (SN), perceived behavior control (PBC), and past behavioral biases (PBB) with investment intention (IID) represents a positive correlation. Further, all the variables have a 0.000 significant value which is less than 0.05. This explains if independent variables are increased the investment intention also increases.

5.4 Regression Analysis

Table 3: Regression Analysis

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.721 ^a	.520	.510	.58398

Table 3 denotes the R square value of this study is 0.510. As per the interpretation, it can be interpreted that 51% of variations related to the dependent variable have been impacted by the independent variables of the study. That means the investment intention of the investor may vary by 51% concerning the changes that happen in independent variables of attitude, subjective norms, perceived behavior control, and past behavioral biases. On the other hand, it can be interpreted that 49% of the variations in the investment intention of the investors happen as because of the other variables excluding attitude, subjective norms, perceived behavior, and past behavioral biases.

Table 4: ANOVA Table

<u>Model</u>	<u>Sum of Squares</u>	<u>df</u>	<u>Mean Square</u>	<u>F</u>	<u>Sig.</u>
Regression	71.222	4	17.806	52.211	.000
Residual	65.819	193	.341		
<u>Total</u>	<u>137.042</u>	<u>197</u>			

As stated above ANOVA is used to analyze statistical significance. So, if the significance value comes under 0.05 it is more favorable and it is significant. Table 5.4 emphasizes there is a 0.000 significance value which is under the 0.05 level. Based on that it can be concluded that this model is significant

Table 5: Coefficient

Hypothesis	Beta value	Sig value	Accepted/ Rejected
H1 – Investment intention is significantly influenced by the attitude.	0.164	0.016	Accepted
H2 - Investment intention significantly influenced by the subjective norms.	0.178	0.010	Accepted
H3 - Investment intention significantly influenced by the perceived behaviors	0.211	0.002	Accepted
H4 - Investment intention significantly Influenced by past Behavioral biases	0.311	0.000	Accepted

5.4 Hypothesis testing

H₁ – Investment intention significantly influenced by the attitude.

According to all the evidence that has been mentioned the beta value for the attitude is 0.164. Therefore, attitude has a positive impact on the investment intention. And the P value of the attitude is 0.016, which is below 0.05. That indicates that hypothesis one is acceptable. So based on all that proof it can be demonstrated that attitude has a significant positive influence on the investment intention of the investors.

H₂ - Investment intention significantly influenced by the subjective norms.

Considering the significant proof provided above the beta value for the subjective norms is 0.178. Thereby subjective norms have a positive impact towards the investment intention. And the P value of the subjective norms is 0.010, which is below 0.05. That indicates hypothesis two is acceptable. Based on all of that evidence, it can be said that subjective norms significantly influence an investor's intention to invest in a positive way.

H₃ - Investment intention significantly influenced by the perceived behavior.

According to all evidence that has been mentioned the beta value for the perceived behavior control is 0.164. Thereby perceived behavior control has a positive impact on the investment.

intention. And the P value of the perceived behavior control is 0.002, which is below 0.05. That indicates that hypothesis three is acceptable. So based on all that proof it can be interpreted that perceived behavior has a significant positive influence on the investment intention of the investors.

H₄ - Investment intention significantly influenced by past behavioral biases.

According to all evidence that has been mentioned the beta value for the attitude is 0.164. Therefore, attitude has a positive impact on the investment intention. And the P value of the attitude is 0.016, which is below 0.05. That indicates that hypothesis four is acceptable. Therefore, based on all that proof it can be demonstrated that attitude has a significant positive influence on the investment intention of the investors.

6. DISCUSSION

According to the findings of the study, it demonstrates that attitude has a statistically significance positive relationship with the investment intention. These results are in accordance with (Raut et al., 2018) which investigated Indian investment market with the theory of planned behavior and the past behavioral biases. And another prior study (Akhtar & Das, 2019), who has done the same research has also mentioned that there is significant relationship in between attitude and the investment intention. Findings of the study also found that subjective norms have a statistically significance positive relationship with

the investment intention. Accepting this finding (Raut et al., 2018) revealed that subjective norms significantly influenced investment intention. Further study examined that perceived behavior has a significant positive relationship with the investment intention. Besides this investigation, this result is also accepted by (Raut et al., 2018) findings. The study also shows that past behavioral biases have a significant positive relationship with investment intention. With regards to the prior studies who have done regarding the theory

of planned behavior and past behavioral biases have mentioned that there is a significant relationship between past behavioral biases and investment intention. Moreover, (Raut et al., 2018) who have done their study referring to the theory of planned behavior and past behavioral biases have mentioned that there is a significant relationship between past behavior and investment intention. According to the study, researchers have proposed their objectives and hypothesis about the effect of past behavioral biases on investment intention by expanding the theory of planned behavior. With the base of the proven outcomes of the analysis of this study, it can be illustrated that there has been a significant influence on the investment intention from the independent variables of attitude, subjective norms perceived behavior, and past behavioral biases. Furthermore, prior studies who have done relating to the Indian stock market also concluded that investment

is significantly influenced by attitude, subjective norms, perceived behavior, and past behavioral biases. So, on that basis, we can summarize that the current findings of this study will replace the existing gap regarding the effect on investment intention of investors in the Sri Lankan context (CSE) by using the variables of attitudes, subjective norms, perceived behavior, and past behavioral biases. More than that, the information illustrated in this study will provide economic value to all the stakeholders who are engaged in the Colombo Stock Exchange (CSE). Therefore, can conclude that the current findings of this study will replace the existing gap regarding the effect on investment intention of investors in the Sri Lankan context (CSE) by using the variables of attitudes, subjective norms, perceived behavior, and past behavioral biases. Ultimately the findings of the study are consistent with results proposed by the previous studies in the domain.

6.1 Managerial Implications

Results demonstrated through the study equally make satisfactory contributions to both individuals and institutional investors performing in CSE. Accordingly, the investigation revealed beneficial outcomes to the practitioners and brokerage firms who engage in the Colombo stock exchange. Further results are supporting to Individuals who are operating in the economy to get beneficial insights by recognizing how the factors demonstrated via TPB and past behavioral biases are influenced on their investment intention. Moreover,

findings assist them in avoiding psychological traps while engaging in stock market transactions. Authoritative bodies also can obtain useful insight to enhance their awareness and pursue credible mechanisms regarding favorable investment outcomes.

6.2 Limitations and Future Suggestions

Even if the findings assist in deepening the current literature still there are some limitations associated with the study. First, this study was only conducted on one theory in the domain. In general, there are several theories concerning behavioral intention namely, the theory of reasoned action, the theory of irrationality, and the prospect theory. Performing the investigation based on one theory might eliminate the effect of the other theories in the domain. Secondly, this study considered only the Sri Lankan stock market. Therefore, the findings of this study won't be qualifiable to evaluate other countries' capital markets.

Therefore, it is vital to perform future investigations to study the behavior of foreign investors who are engaging in stock exchange transactions. This research was performed by using past behavioral biases as an additional factor utilized in TPB consequently it suggested to use of risk tolerance as the substituting variable for future investigations. Moreover, it is suggested to examine the impact of TPB factors and past behavioral biases on a variety of securities such as debentures, bonds, and trust funds.

7. CONCLUSION

Findings of this study assist in expanding the existing knowledge in the domain and it may contribute to filling the gaps in the current literature. Accordingly, this research contributes to expanding the knowledge of the individuals' behaviors rather than encouraging the fundamental and traditional approaches. Several studies examined the behaviors of investors with different strategies. Even though they mainly focused on demographic factors. However, it is essential to ensure the effect of sociopsychology on investment intention. Based on that, this study made a satisfactory contribution to evaluate the impact of psychological biases on the investment intention of the stock market investors. This study concluded that investment intention of the investors influenced by TPB factors and as well as past behavioral biases. Therefore, to evaluate the effect of psychological factors, this study extended the theory of planned behavior and used past behavioral biases as additional components alongside the theory of planned behavior factors. According to the findings that were extracted through the analysis, it explained that there is a significant relationship between attitude, subjective norms, perceived behavior, and past behavioral biases with the investment intention. Ultimately this study makes a significant contribution to reach the SDG 8 which emphasizes economic growth and decent work.

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Assessing the Role of Financial Literacy in Shaping Cognitive Biases and Investment Decisions in Sri Lankan Undergraduates

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ABSTRACT

Recent evaluations and reflections on financial theories have challenged and reshaped the perspectives originally suggested by traditional finance, paving the way for a novel understanding through the lens of behavioral finance. This evolving framework acknowledges the sophisticated interaction of psychological factors and biases that have the potential to distort investor rationality. This study seeks to examine novel relationships between financial literacy, cognitive biases, and investment decisions among undergraduate students in Sri Lanka. This illuminates how financial literacy can serve as a balancing element, moderating the interactions between cognitive biases and investment choices, all within the framework of Prospect Theory. This inquiry adopts a deductive and quantitative methodology, utilizing a Five-point Likert scale questionnaire to measure the interrelations between

cognitive biases and investment choices. The study embraced a diverse cohort of 359 respondents from various academic institutions, both governmental and private. The analytical journey involved descriptive statistics and Structural Equation Modelling, navigated through SPSS and Smart PLS software. The outcomes of the research reveal that each of the four examined biases substantially influences investment choices. Financial literacy distinctly tempers the link between overconfidence bias and investment decisions and the correlation between mental accounting bias and investment choices. Conversely, financial literacy doesn't markedly adjust the relationship between loss aversion and investment decisions or the connection between availability bias and the investment choices made by undergraduates in Sri Lanka. These insights are not mere academic reflections; they enrich the existing literature, offering a deeper understanding of the evolving

landscape of investor behavior, and potentially illuminating pathways for future explorations and practical applications in the field of behavioral finance.

Keywords: Availability Bias, Financial Literacy, Loss Aversion, Mental Accounting, Overconfidence Bias

1. INTRODUCTION

Traditional finance theories namely Modern portfolio theory, Capital asset pricing model (CAPM), Efficient market hypotheses based on unrealistic assumptions about human rationality (Kartini, 2020). Over the years, according to efficient market hypotheses, it was assumed that investors demonstrated typical behavior by logically analyzing all available information surrounding the investment opportunity and making rational decisions in risk return trade-offs (Dahiman, 2020). Over the past years, numerous theories have been enacted from the rationality perspective. But we observe anomalies and puzzles in the market which cannot be described by traditional finance theories and rationality perspectives (Anurag Shukla, 2020). Those incidents can only be defined by behavioral finance theories. Accordingly, using traditional financial theory to forecast the stock prices would not make acceptable outcomes (Wan, 2018). Rational investment decisions eventually make a path to wealth maximization. But the

issue is investors rationality is affected by psychological factors which can identify as the part of the social science. According to previous researchers' behavioral finance is satisfactory concept which make the platform to study the impact of human psychology, emotions, and feelings on individuals' investment decisions (Dr. Bilal Aziz, 2016). Eventually, ignorance of psychological aspects of individual investors decisions generates non-beneficial outcomes. Furthermore, most individual investors are relied on their financial advisors' suggestions and 30% of them have struggles regarding their investment decisions and another 32% of investors are unable to identify their real investment purposes because of emotions and biases (Fatima Akhtar, 2017). If the investors are not going to be concerned about behavioral factors in investment decision making ultimately it causes harmful outcomes and poor investment performances. Therefore, it is mandatory to examine the impact of psychological factors on investment decision making. Prior literature concludes that financial literacy plays a vital role in mitigating the effect made by behavioral factors in investment decision-making (Sinem Ateş, 2016). Optimum investment decisions extremely depend on individuals' level of financial literacy (Kartini, 2021). Financially literate individuals may have the proficiency to formulate their road map which guides them to optimum money management, effective risk assessment, and satisfactory investment choices that maximize their

utility (Rooij, 2008). For investors who are exposed to cognitive biases and emotions, financial literacy plays a vital role to mitigate irrationality to a considerable extent. Therefore, the relationship between behavioral biases and financial literacy plays a crucial role in the investment decision-making process of both individual and institutional investors. Prior literature has not provided sufficient depth analysis in Sri Lankan context regarding this association. And any research has not been executed on financial literacy as the moderating variable amongst cognitive biases and investment decision-making of undergraduates in Sri Lanka. Hence it is crucial to examine to which extent investors could be rational by tackling behavioral biases whilst financial literacy exists. As the existing literature is puzzling, the current investigation intends to scrutinize how cognitive factors and emotions affect Sri Lankan undergraduates' investment decision making. Moreover, this study explores whether these associations are moderated by financial literacy. Therefore, this study conceptually analyses the impact made by Availability Bias, Mental Accounting, loss Aversion, and Overconfidence biases on undergraduates' investment decision-making based on Prospect theory and explore the moderating role of financial literacy on relationship between cognitive biases and investment decisions.

2. LITERATURE REVIEW

2.1 Theoretical Background

Prominent scholars in the integration of psychology into economics and finance literature, (Kahneman & Tversky, 1979) founded the prospect theory in 1979. Prospect theory structured how individuals make a selection among probabilistic alternatives where risk is associated, and the probability of alternatives is questionable. Prospect theory is a justification of individuals' decision-making where uncertainty is involved. Prospect theory (Kahneman & Tversky, 1979) argues that individuals are irrational decision-makers. (Kahneman & Tversky, 1979) suggested that losses create a greater emotional influence on humans than does the same amount of gain. (Kahneman & Tversky, 1979) formulated prospect theory, by considering there are factors such as loss aversion, mental accounting, overconfidence, regret aversion, and availability biases that affect individuals' decision-making processes. In reference to prospect theory, this investigation is going to examine how loss aversion, mental accounting, availability bias, and overconfidence interrupt investors' rationality and how that association is moderated by financial literacy.

2.1.1 *Traditional Finance*

Rooij, (2008) presented the theory of the "rational economic man", who always attempts to maximize their utility by

considering the limitations he encounters. According to the purpose of optimizing utility, traditional finance theory is based on four bases, which are perfectly rational person assumption, efficient market, the law of traditional mean-variance model, and risk and return trade-off. The efficient market hypothesis constructs the foundation for traditional finance theory (Kahneman & Tversky, 1979). According to this hypothesis, assume investors are always complying with rationality by accessing all the market information and asset prices. Although the discipline of modern finance has developed gradually, it is still tricky to justify on a scientific basis because humans act irrationally while dealing with money. (Mitroi, 2014) pointed out that traditional finance supposes investors improve their investment choices by being rational, and behavioral finance contains the materiality of what investors should do. (Robert J. Schiller, 1997) Within the fields of behavioral finance, psychology, and sociology can be stated as the main domains. Many investigations conducted in the field of behavioral finance pointed out behavioral biases in investors and those investigations contradict the arguments revealed by efficient market hypothesis (Saunders, 2009). Behavioral finance concludes investors are influenced by behavioral biases accordingly it substitutes the traditional rationality hypothesis.

2.1.2 Behavioral Finance

The idea of behavioral finance can be expressed as a study of how psychology affects investors' decision-making and how it influences the financial market (Shukla, 2020). Behavioral finance is a contemporary phenomenon that came up as a response to the problematic face of traditional finance. (Maqsood Ahmad, 2019) investigated that agents in the financial market are not even fully rational.

The father of behavioral finance is "Daniel Kahneman". He obtained the Nobel prize in the domain of economics for his Prospect theory. Daniel Kahneman, Amos Tversky, and Richard Thaler can be identified as the explorers of behavioral finance. They expressed behavioral biases as the building blocks of behavioral finance. The contradiction between traditional finance and behavioral finance exists, because of the occurrence of behavioral biases (Kahneman & Tversky, 1979). Further (Kahneman & Tversky, 1979) revealed that behavioral biases express reasons for the contradictory way the same individual becomes risk-averse to choices involving positive gains and risk seekers for loss-avoiding choices. According to (Shahani, 2022) Anchoring, loss aversion, overconfidence, mental accounting, availability bias, self-attribution, and herding effect can be stated as the key components of behavioral finance that interrupt investors' rationality. According to (SABIR1, 2021) behavioral finance suggests that the

individual's investment decision-making is impacted by numerous biases that lead investors to divert from rationality.

2.1.3 Prospect Theory

Prominent scholars in the integration of psychology into economics and finance literature, (Kahneman & Tversky, 1979) founded the prospect theory in 1979. Prospect theory structured how individuals make a selection among probabilistic alternatives where risk is associated, and the probability of alternatives is questionable. As the pioneer of the prospect theory in 2002 Kahneman deserved the Nobel prize. Prospect theory is a justification of individuals' decision-making where uncertainty is involved. This can be about circumstances varying from day-to-day life such as decisions regarding a career or moving to another country to financial alternatives such as investments in stocks or choosing insurance options.

Prospect theory argues that humans distinctly esteem losses and gains (Pratama, 2022). Thus, humans make choices based on perceived gains rather than perceived losses. This also can be expressed as the concept of "loss aversion". In simple terms, if there are two alternatives one exhibits potential gains, and the other is associated with potential losses, individuals tend to choose formal options which generate potential gains (Naveeda Zeb, 2020). Prospect theory (Kahneman & Tversky, 1979) argues that individuals are

irrational decision-makers. (Kahneman & Tversky, 1979) suggested that losses create a greater emotional influence on humans than does the same amount of gain. Therefore, alternatives that deliver the same results, investors may choose the option that offers perceived gains.

Everyone who lives in the world is definitely associated with decision-making. Alternatives to decision-making can be spread from the simplest ones to the most complex ones. This can occur in circumstances where one forecasts potential outcomes of the alternatives appoints one or two choices and forecasts the likelihood of those outcomes based on limited information. When making choices among investment options, the theory of traditional finance is somewhat dominated by the expected utility theory. (Robison 2010) Expected utility theory is based on the assumption that individuals are always based on rational platforms when they make decisions, but in reality, individuals are not rational when they make their selections. Investors are influenced by many psychological factors, for instance mood, emotions, cognitive biases, and so on. (Kahneman & Tversky, 1979) formulated prospect theory, by considering there are factors such as loss aversion, mental accounting, overconfidence, regret aversion, and availability biases that affect individuals' decision-making processes. In reference to prospect theory, this investigation is going to examine how loss aversion, mental accounting,

availability bias, and overconfidence interrupt investors' rationality and how that association is moderated by financial literacy.

2.2 Literature Review of Cognitive factors and Investment Decisions

2.2.1 Availability bias and investment decision making

Availability bias reflects investors are depending on already available information instead of exploring new information pertaining to their investment options (Jinesh Jain, 2019). (Dahiman, 2020) examined availability bias having positive significant influence on investment outcomes. In contrast, that findings are contrary to (Joyita Banerji,2020) which reflect availability bias are negatively impacted to the investment performance of institutional investors (Jinesh Jain, 2019).

2.2.2 Overconfidence bias and investment decision making

Overconfidence bias reflects the human propensity to magnify their capabilities, skills, cognitive abilities, and accuracy of information (Jinesh Jain, 2019). This illusion causes extreme trading and impacts on low investment performance (H. Kent Baker, 2014). Eventually, this led to fewer returns (Jinesh Jain, 2019).

2.2.3 Loss aversion and Investment decisions

Loss Aversion biases exhibit a human propensity toward protecting wealth from declining rather than capital enhancement. According to (Lee, 2016) Investors who are highly influenced by loss aversion bias usually maintain lower stock investments as a part of the entire portfolio. (Hwang, 2010) argued that investors exhibit more loss aversion whilst behaving in bull markets than in bear markets.

2.2.4 Mental Accounting and Investment Decisions

Mental accounting implies a set of cognitive implications used by investors to organize, assess, and monitor investment activities (Rooij, 2008). According to (Borden, 2008) findings, that person is more willing to invest money received as a bonus rather than the basic salary because he assumes that if he invests money received as the bonus if anything happens to his investment adversary, he will not feel very bad for that invested money.

2.3 Financial Literacy as a moderator between Cognitive factors and Investment decision making behavior.

Wan (2018) expressed that financial literacy is the aggregation of three indicators in which financial behavior, financial knowledge, and financial attitude. (Dahiman, 2020) performed a study in Nigeria using a theoretical

philosophy pertaining to financial literacy to examine the influence on investment decisions and behavioral biases. According to the findings of that study theory of mental accounting, prospect theory exhibited an association between financial literacy and investment decision-making. In conclusion, the investment decisions of individuals exhibit a positive relationship with financial literacy. (Agnew, 2015) Further, studies reflect that an individual's level of financial literacy moderates the association between behavioral biases and investment decision-making. A similar finding was constructed by (Rahayu, 2022) personal financial literacy levels moderate the connection between knowledge of the stock market and decisions relating to investments.

2.4 Literature Gap of the Study

Only a few of the investigations conducted on financial literacy in the Sri Lankan context as a moderator among behavioral biases and investment decisions. Among those studies, no studies were performed to examine how financial literacy moderates the association between cognitive factors selected in this study and investment decisions. Therefore, this study aims to investigate " Cognitive factors affecting investment decision-making in a moderating role of financial literacy on investment decision-making behavior among the undergraduates in the Sri Lankan context.

2.5 Based on the above discussion following hypothesis are proposed,

H1: Availability bias is significantly influenced on the investment decisions of undergraduates in Sri Lanka.

H2: Loss aversion is significantly influenced on the investment decisions of undergraduates in Sri Lanka.

H3: Mental accounting is significantly influenced on the investment decisions of undergraduates in Sri Lanka.

H4: Overconfidence bias is significantly influenced on the investment decisions of undergraduates in Sri Lanka.

H5: Financial literacy has a moderating role in the relationship between loss aversion and investment decision-making of undergraduates in Sri Lanka.

H6: Financial literacy has a moderating role in the relationship between overconfidence bias and investment decision-making of undergraduates in Sri Lanka.

H7: Financial literacy has a moderating role in the relationship between availability bias and investment decision-making of undergraduates in Sri Lanka.

H8: Financial literacy has a moderating role in the relationship between mental accounting and investment decision-making of undergraduates in Sri Lanka.

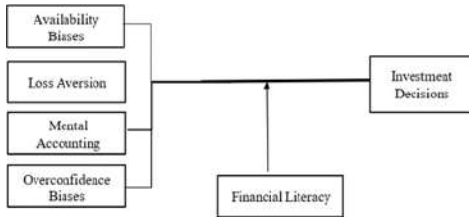


Figure 1: Conceptual framework

3. METHODOLOGY

This study was performed under deductive reasoning, and this is a quantitative study that undertaken positivism characteristic. The investigation employed primary data sources by distributing five Lickert scale online questionnaires consequently study can be categorized under the survey method. All the undergraduates in the Sri Lankan context make up the population for this study. This cross-sectional study was based on a pre-determined sample and selected target respondents under the stratified random sampling method based on this method study approached undergraduates in the top ten government and private sector universities that represented more than 75% of the entire population (Ministry of Higher Education, 2023). According to Solvin's formula, the sample size was identified as 359 undergraduates. Descriptive analysis was performed under the SPSS statistical tool and inferential analysis was performed under structural equation modelling.

4. DATA ANALYSIS AND RESULTS

Number of Questionnaires distributed	Number of Questionnaires returned	Response Rate
390	359	94.8%

Table 1: Response Rate

For the analysis purposes 390 questionnaires were distributed among pre-determined sample and 370 responses received for subsequent analysis. Further, 11 responders answered that they do not like to invest. Therefore, this study was based on 359 responses and achieved 94.8% of strong response rate. (Baruch Holtom, 2008) who reported an average response rate of 52.7% for surveys in the fields of management and behavioral science research, the response rate in this study significantly surpasses this established level.

4.1 Analysis of Participants profile

According to the collected data 58.2% of undergraduates are male and 41.8% of undergraduates are female. Accordingly, it can be concluded that majority of respondents are male. In addition, 53.2% of respondents are 21–25 years old, and this is the majority level. 25–30-year-old age respondent rate is 29%. 12.5% of respondents belong to those less than 25 years and the rate of respondents above 30 years respondents are 5.3%. The data shows that 191 respondents from Faculty of Management and Finance, constituting 53.2% of the total. 49 respondents from

Faculty of Arts, making up 13.6% of the total. 52 respondents from the Faculty of Medicine, accounting for 14.5% of the total. 37 respondents from Faculty of Engineering, representing 10.3% of the total. 30 respondents, comprising 8.4% of the total. Accordingly, the majority of responses pertained to Faculty of Management and Finance. In total, there were 359 respondents in the study.

4.2 Reliability and Convergent Validity

The study evaluated the overall fitness of the study instruments by assessing reliability through Cronbach Alpha (CA) and Composite Reliability (CR). Further it assessed the convergent validity by evaluating the Average Variance Extracted (AVE). (Sekaran, 2016) stated that the standard measurement scale for the Cronbach alpha should be more than 0.7 to ensure the high internal consistency of measurement instruments. And to ensure the validity and reliability Average Variance extracted and Composite Reliability should be greater than 0.5 and 0.7 respectively.

Variables	Cronbach's alpha	Compo site reliability	(AVE)
Analyzing Availability Bias	0.726	0.764	0.647
Analyzing Financial literacy	0.837	0.853	0.672

Analyzing Investment Decision	0.796	0.812	0.622
Analyzing loss aversion	0.726	0.746	0.542
Analyzing Mental Accounting	0.748	0.897	0.638
Analyzing Overconfidence Bias	0.775	0.779	0.597

Table 2: Reliability

Table 2 exhibits the results of the reliability and validity test. Consequently, Cronbach's alpha values for all the analyzed variables are greater than the standard scale of 0.7. It indicates that the items on the scale comprised greater reliability and can be used with confidence. Moreover, the Composite reliability for the variables is greater than 0.7 and it signifies that the items in the scale are determining the identical underlying construct with a higher degree of consistency. Further, the average variance extracted for all variables is greater than the standard scale of 0.5 and it implies the construct is not merely a combination of its measurement errors.

4.3 Discriminant Validity

The measurement model was employed to assess discriminant validity, ensuring that the measurement items for each construct remain distinct from those of

	AVB	FL	ID	LA	MA	OB	FL x LA	FL x OB	FL x AVB
AVB									
FL	0.811								
ID	0.719	0.631							
LA	0.777	0.753	0.630						
MA	0.230	0.242	0.249	0.270					
OB	0.374	0.438	0.513	0.540	0.207				
FL x LA	0.417	0.492	0.239	0.499	0.094	0.357			
FL x OB	0.214	0.254	0.052	0.367	0.132	0.290	0.667		
FL x AVB	0.407	0.516	0.310	0.493	0.112	0.240	0.703	0.398	
FL x MA	0.108	0.133	0.383	0.110	0.154	0.118	0.147	0.085	0.007

Table 3: Discriminant Validity

other constructs. This procedure adhered to (Fornell & Larcker, 1981) proposed formula. These scholars posit that the square root (SQRT) of AVE can be employed.

The results, as depicted in Table 3, consistently support the assertion that the prerequisites for discriminant validity are satisfied. This is evident as the AVE's SQRT values for each construct surpass the values of the correlations within the same row and column.

4.4 Predictive Accuracy of the Model

Variables	R-square	R-square adjusted
Investment Decision	0.548	0.536

Table 4: R Square

Table 4 provides information about the R-squared and adjusted R-squared values for this study. The adjusted R-squared value serves as an indicator of the fit of the conceptual framework. Based on Table 4, the adjusted R-squared value is 0.536, signifying that it is discerned. It implies that Loss

aversion, Availability bias, Overconfidence bias, Mental accounting, and the moderator (Financial literacy) collectively account for 53.6% of the variations in the variables that influence investment decisions.

4.5 Hypothesis Testing

Variables	T statistics	P values
Availability Bias Investment Decision	->4.163	0.000
Loss Aversion Investment Decision	->2.901	0.004
Mental Accounting Investment Decision	->3.243	0.001
Overconfidence Bias Investment Decision	->3.707	0.000

Table 5: Hypothesis Testing

H1: There is a significant impact of availability bias on the investment decisions of undergraduates in Sri Lanka

According to the generated outcomes, the P value is 0.000 which is less than

0.05. Further, it stated a T value of 4.163 which is greater than 1.96. Consequently, the derived results implied that the alternative hypothesis (H1) is accepted, and the null hypothesis (H0) is rejected. Therefore, this illustrates that there is a significant impact of availability bias on the investment decisions of undergraduates in Sri Lanka.

H2: There is a significant impact of loss aversion on the investment decisions of undergraduates in Sri Lanka.

According to the figures in the table, the P value is 0.004 which is less than 0.05. Further, it stated a T value of 2.901 which is greater than 1.96. Therefore, the derived results implied that the alternative hypothesis (H2) is accepted, and the null hypothesis (H0) is rejected. Therefore, this depicts that there is a significant impact of loss aversion on the investment decisions of undergraduates in Sri Lanka.

H3: There is a significant impact of mental accounting on the investment decisions of undergraduates in Sri Lanka.

According to the generated outputs, the P value is 0.001, which is less than 0.05. Further, it stated a T value of 3.243 which is greater than 1.96. According to the generated results, the alternative hypothesis (H3) is accepted, and the null hypothesis (H0) is rejected. Therefore,

this illustrates that there is a significant impact of mental accounting on the investment decisions of undergraduates in Sri Lanka.

H4: There is a significant impact of overconfidence bias on the investment decisions of undergraduates in Sri Lanka.

According to the generated outcome, the P value is 0.000 which is less than 0.05. Further, it stated a T value of 3.707 which is greater than 1.96. Consequently, the outcomes indicated that the alternative hypothesis (H4) is accepted, and the null hypothesis (H0) is rejected. Therefore, this illustrates that there is a significant impact of overconfidence bias on the investment decisions of undergraduates in Sri Lanka.

Variables	T statistics	P values
Financial Literacy	x 1.005	0.315
Loss Aversion	->	
Investment Decision		
Financial Literacy.	x 3.788	0.000
Overconfidence Bias	->	
Investment Decision		
Financial Literacy	x 0.603	0.546
Availability Bias	->	
Investment Decision		
Financial Literacy	x 4.091	0.000
Mental Accounting	->	
Investment Decision		

Table 6: Moderator Impact

H5: financial Literacy moderates the association between loss aversion and investment decisions of undergraduates in Sri Lanka.

According to the generated outcomes, the P value is 0.315 which is higher than 0.05. Further, it stated a T value of 1.005 which is less than 1.96. Consequently, the derived results implied that the alternative hypothesis (H5) was rejected. Therefore, this illustrates that there is no moderating effect of financial literacy between the relationship of loss aversion and the investment decisions of undergraduates in Sri Lanka.

H6: Financial Literacy moderates the association between overconfidence bias and investment decisions of undergraduates in Sri Lanka.

According to the generated outcomes, the P value is 0.000 which is less than 0.05. Further, it stated a T value of 3.788 which is higher than 1.96. Consequently, the derived results implied that the alternative hypothesis (H6) is accepted, and the null hypothesis (H0) is rejected. Therefore, this illustrates that there is a moderating effect of financial literacy between the relationship of overconfidence bias and the investment decisions of undergraduates in Sri Lanka.

H7: Financial Literacy moderates the association between availability bias and investment decisions of undergraduates in Sri Lanka.

According to the generated outcomes, the P value is 0.546 which is higher than 0.05. Further, it stated a T value of 0.603 which is less than 1.96. Consequently, the derived results implied that the alternative hypothesis (H7) was rejected. Therefore, this illustrates that there is no moderating effect of financial literacy between the relationship of availability bias and the investment decisions of undergraduates in Sri Lanka.

H8: Financial Literacy moderates the association between mental accounting and investment decisions of undergraduates in Sri Lanka.

According to the generated outcomes, the P value is 0.000 which is less than 0.05. Further, it stated a T value of 4.091 which is higher than 1.96. Consequently, the derived results implied that the alternative hypothesis (H8) is accepted, and the null hypothesis (H0) is rejected. Therefore, this illustrates that there is a moderating effect of financial literacy between the relationship of mental accounting and the investment decisions of undergraduates in Sri Lanka.

5. DISCUSSION

This study aimed to assess the role of financial literacy in shaping cognitive biases and investment decisions in Sri Lankan undergraduates. The findings of this study imply that availability bias has a positive impact on the investment decisions. These results are in line with the studies of (Dahiman, 2020),

(Ricciardi, 2020). Results of this study also exhibit that loss aversion has a positive impact on investment decisions. By accepting the significant positive relationship between loss aversion and investment decisions (MARK N.K. SAUNDERS, 2019) expressed a similar opinion. Moreover, it was found that mental accounting has a positive impact on investment decisions. These findings are complied with the findings revealed by (Kartini, 2021). The study investigated that overconfidence bias has a positive impact on investment decisions. These results are similar to the studies which supported that overconfidence bias is significantly impacted on investment decision making among college students (Ricciardi, 2020). Besides this investigation also tested the moderating role of financial literacy in the association between cognitive factors and investment decisions of the undergraduates in Sri Lankan context. The results of the study clearly demonstrated that financial literacy is not going to moderate the relationship between loss aversion and investment decisions. These results are consistent with the findings of (Dahiman, 2020). However, these results are contradictory with the findings presented by study conducted in European context (Hayat, 2016). Differences in measurement scales and socio-economic differences between the two countries could impact these contradictory findings. Study reflected that financial literacy moderates the relationship between overconfidence bias and investment.

These results comply with the findings of (Shukla, 2020). Further, the study implies that financial literacy is not going to moderate the relationship between availability bias and investment decisions. Investigation conducted in European context presented contradictory results than the current study (Hayat, 2016). This can happen due the contextual changes, cultural differences, and alterations in human thinking patterns. Further the results of the study expressed that financial literacy moderates the relationship between mental accounting and investment decisions. The current study's findings are consistent with the results of prior investigations performed in the domain (Fatima Akhtar, 2017). Ultimately the outcomes of the study comply with the proposed consequences of the previous literature conducted in the domain of behavioral finance.

5.1 Managerial Implications

The findings of the study emphasize the substantial impact of cognitive biases on undergraduates' investment decisions and highlights the implications of financial literacy as a proactive measure. The findings of the research are equally beneficial to both individual and institutional-level investors operating in the country's economy. Brokerage firms and other financial agencies can obtain useful insights from judgment conveyed through the study to establish policies regarding financial market actions and their business portfolios. Investors in collectivist societies can get valuable perceptions

concerning all probable failures prone to best portfolio investment choices. Authoritative bodies of financial markets are able to build awareness and seek realistic mechanisms to reduce the influence of these aspects in the investment decision-making process. According to the findings of the study, undergraduates are exposed to availability bias, it reveals that most undergraduates make investment decisions based on third-party involvement, and they don't have their sentiments regarding investment choices. Further, they aren't motivated to find new knowledge concerning stock market investments, instead, they rely on the most accessible information. Therefore, it is essential to promote stock market investment awareness programs to provide a road map to construct optimal investment decisions for undergraduates. Consequently, this will lead undergraduate investors to conduct a technical analysis of the market prior to making investments.

This will guide them to rely on new knowledge instead of readily available information. Universities must promote investment clubs and associations to mitigate availability bias among undergraduates.

The determinations of the study suggest that undergraduates are exposed to overconfidence biases, which means that their extreme self-esteem leads them to accept unwanted risks and most of the time it results in non-benefit investment outcomes. Concerning these consequences, firms that deliver

financial services to undergraduates need to be aware of the psychological biases that cause investors irrationality. This will assist them in formulating informed decisions that lead to wealth maximization. Moreover, findings reveal that loss aversion enormously impacts undergraduates' investment decision formulating process. It hinders them from engaging in profitable investment opportunities due to worries about potential losses. To avoid these negative circumstances universities, financial institutions, and the government need to act responsibly by contributing to prevent undergraduates from their irrational behavior. Universities need to encourage undergraduates' stock market engagement by providing investment-related courses that emphasize rational investor behavior. Universities also could deliver investment counseling sessions to undergraduates who are highly loss-averse and fear in taking risks. Here the government also plays a prominent role, the government should arrange financial literacy programs for all citizens including undergraduates to make them aware of the psychological aspects of investors' decision-making function.

The study emphasizes the implications of financial literacy in managing the association between cognitive biases and undergraduates' investment decision-making. Acquiring financial literacy facilitates investors in obtaining the required knowledge and techniques to identify and avoid the negative

consequences of psychological biases. Investors who have higher financial knowledge are better at making informed and rational investment choices by considering valuation concepts, risk mitigation, and diversification techniques. Further, this investigation underlines the necessity of promoting financial literacy as a technique to mitigate the negative consequences of availability bias, overconfidence bias, mental accounting, and loss aversion on undergraduates' investment decision-making patterns. Encouraging educational programs to improve financial literacy can empower policymakers to motivate investors to make rational investment decisions.

5.2 Limitations and Future Suggestions

Although this study extends the existing literature in the domain still has a few limitations. First this study conducted as the cross-sectional study, and it is suggested to use panel data for future investigations in the domain. Secondly, due to the existing barriers in practical implementation, I had to narrow down the population and collect data from only top ten government and top ten private sector universities in Sri Lanka. Therefore, it creates barriers in generalizing the findings for the entire university system.

It is vital to conduct future research to examine the mediating role of financial literacy in the relationship between cognitive factors and investment decisions. Further extension can be

conducted to examine the impact of emotional biases and heuristic illusions on investment decision-making among investors. It is suggested that future studies may be carried out to investigate the behavior of institutional as well as foreign investors at the Colombo Stock Exchange. Moreover, it is worthwhile to examine the impact of psychological factors on individuals on all types of securities such as debentures, bonds, and trust funds. Finally, it may also be useful if future investigations were conducted to reveal the association between financial market anomalies and probable investor biases (Ricciardi, 2020). Those comparative studies will contribute as a worthwhile addition to the domain of behavioral finance.

6. CONCLUSION

Findings of this study may contribute to expanding the existing literature and fill the gaps in prior studies by comprehending the understanding of how financial literacy moderates the association between cognitive biases and investment decisions particularly among undergraduates. The tested moderation effect of financial literacy may contribute to expanding the existing theoretical knowledge in the domain. Accordingly, the study highlighted the prominence of financial literacy in motivating rational thinking by emphasizing the mitigation of cognitive biases. This investigation indicates how the results are in line with the findings illustrated by prospect theory. The study underlines that irrational person behavior is a dynamic

cycle driven by a variety of emotions and psychological factors. The investigation implies the apparent contribution to reaching SDG goal 8 with concern about economic growth and decent work.

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Factors Influencing Intention to Use Cryptocurrency Among Sri Lankan University Students

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ABSTRACT

Cryptocurrency usage is proliferating globally and within Sri Lanka, particularly among university undergraduates, driven by its potential for high returns and accessibility through online investment platforms. However, the absence of a legal framework raises concerns. This research investigates the factors influencing Sri Lankan university students' intentions to use cryptocurrency, employing the Theory of Acceptance and Use of Technology (UTAUT) model. The study aims to identify these factors, explore their relationship with intention, and assess their impact. A quantitative approach was adopted, targeting university students in Sri Lanka, mainly from Generation Z. Convenient sampling yielded 200 relevant responses out of 250, following data collection through structured questionnaires. The data were analyzed using SPSS 27 software, ensuring reliability through Cronbach's alpha and sampling adequacy tests. Regression analysis and correlation tests were conducted to meet parametric assumptions and research objectives.

Results revealed a positive correlation among variables, with two factors significantly influencing intention: performance expectancy and facilitating conditions. However, effort expectancy, social influence, and financial literacy showed no significant impact. Performance expectancy emerged as the most influential factor, followed by facilitating conditions. In conclusion, despite the absence of a legal framework, cryptocurrency adoption among Sri Lankan university students is primarily driven by perceived performance benefits and enabling conditions rather than social influence or financial literacy. These findings provide valuable insights for policymakers and stakeholders to develop regulations and educational programs promoting responsible cryptocurrency use in Sri Lanka. Further research is recommended to explore additional factors influencing cryptocurrency adoption and to assess the long-term implications on Sri Lanka's economy and financial landscape.

Keywords - Effort expectancy, Facilitating Conditions, Social

Influence, Cryptocurrency, Financial Knowledge, Economic Growth

1. INTRODUCTION

Cryptocurrency and blockchain technology are becoming more and more popular and used in Sri Lanka. Young people in Sri Lanka who are still in university have been investing in cryptocurrencies for several different reasons (Chaturika, 2021). Buying and selling cryptocurrencies is still legal, though there are some limits (Chaturika, 2021; CBSL, 2023) and Bitcoin mining has grown a lot in the country, far exceeding the averages for the region. But because Sri Lanka doesn't have a complete set of laws for cryptocurrencies, users face problems and could be at risk. The Central Bank of Sri Lanka has refused to give licenses to cryptocurrency projects, and there is still a general feeling of uncertainty (CBSL, 2023). This problem is made worse by the fact that not much research has been done on Sri Lanka's specific situation. This shows how important it is to learn more about the factors that affect people's decision to use cryptocurrencies. To fill in these gaps in the existing research, this paper uses the Unified Theory of Acceptance and Use of Technology (UTAUT) model to look at how people in Sri Lanka will use cryptocurrencies in 2023. Previous research, like Chaturika's (2021), used the TAM2 model and only looked at a few variables. This study, on the other hand, uses the UTAUT model to look at a wider range of factors (Chaturika, 2021). A study by Sathruwani and Nanayakkara (2023) also used the UTAUT model, but it didn't go into great detail about how financial literacy, education, and social

factors affect people's decisions to use cryptocurrencies. This study (Sathruwani and Nanayakkara, 2023), therefore, is even more important. Also, Chandrasekara (2021) used the TAM model to study social preparedness and the social impact of cryptocurrency in 2020, but he hasn't looked into how things have changed and how ready people are for 2023 (Chandrasekara, 2021). So, the goal of this study is to fill in these gaps by looking at how society affects the use of cryptocurrencies and by looking at all the factors that are involved. This study also talks about two important problems that stop Sri Lankans from using cryptocurrencies: cultural fear and a lack of knowledge about money and technology (Chandrasekara, 2021). A lack of financial literacy has been named as a problem for the growth of cryptocurrencies. This paper aims to fix this problem by looking at financial knowledge in the context of cryptocurrencies.

2. LITERATURE REVIEW

This chapter aims to review relevant theories concerning the current research (UTAUT). The UTAUT (Unified Theory of Acceptance and Use of Technology) is a widely recognized framework that explains the factors influencing individuals' intention to use technology. By reviewing this theory, we can gain insights into the factors that may influence undergraduates' intention to use cryptocurrency at Sri Lankan universities as well as one additional factor. Additionally, this chapter will provide a comprehensive overview of previous studies conducted in similar contexts. Understanding the research topic, current body of work, and

methodology can be difficult without a literature review.

2.1 What is Cryptocurrency?

Money in digital form. According to Hasan et al. (2022), cryptocurrency is a form of digital currency that ensures the confidentiality of financial transactions using encryption and block chains (Hussein, 1970). This innovative piece of technology is currently being implemented in a variety of settings all around the world. Also, cryptocurrency is not controlled by any government or regulatory body. This is because cryptocurrencies are created on the blockchain, so no one can control them (SquarePants, 2008). It means that no government can place restrictions on cryptocurrency and control its trading in the face of the current situation. Cryptocurrencies are neither issued or backed by any central bank or government, making them a decentralized alternative to traditional fiat currencies. With blockchain technology, it enables anonymity, cheap, and fast transactions that are completely transparent (Ibrahim, 2019). Which, over the past ten years, has changed the way that computer applications and conventional methods of conducting financial transactions are done. It is a decentralized network that contains confidential data with strong privacy and security. The first of many applications that can be built with blockchain technology is a digital money called cryptocurrency. This technology incorporates revolutionary vital ideas such as cryptography, public sharing of contents through public ledgers, and decentralization, which together deliver the necessary tough regulatory frameworks for the newly emerged sort of currency known as

cryptocurrency (Duma et al., 2018). Bitcoin has the largest market capitalization of all the cryptocurrencies traded on international exchanges (Coin marketcap, 2020).

2.2 Theoretical Background

This study aims at employing the Unified theory acceptance and use of technology model. "User acceptance of information technology: Toward a unified view". It examines the acceptance of technology, determined by the effect of performance expectancy, effect expectancy, social influence and facilitating condition. The UTAUT model is widely regarded as a comprehensive framework for comprehending the factors that influence technology acceptance and utilization. To provide a more holistic perspective, it integrates various theories and models, such as the Technology Acceptance Model (TAM). UTAUT provides valuable insights into individuals' acceptance and utilization of new technologies by taking into account performance expectancy, effect expectancy, social influence, and facilitating conditions. This research will look into the applicability of UTAUT.

2.3 Unified Theory of Acceptance and Use of Technology

The original UTAUT model was used to analyze the acceptance of information technology in an organization (Venkatesh et al., 2003). The unified theory of acceptance and use of technology model (UTAUT) was designed by (Venkatesh et al., 2003). (Thapar et al., 2018) is also widely recognized as a reliable tool for determining the use and acceptance of innovative and advanced technologies.

Recent studies have shown that the UTAUT approach can be used to figure out how different technologies are accepted. For example, it was used to find out what made people want to use Bitcoin in Indonesia, use cryptocurrencies in Spain and use mobile banking services in India and Jordan (Momani, 2020). For this reason, the original UTAUT model's five major constructs—one dependent variable (i.e. Intention to use crypto currency among undergraduates) and four independent constructs performance expectancy, effort expectancy, social influence, and facilitating conditions (PE, EE, SI, and FC) were used as the basis for this investigation. Additionally, another independent variable financial literacy (FL) was added. Given that cryptocurrencies represent the latest technology in the field of financial technologies, perceived risk is an essential component that must be investigated before determining whether or not to use them as a medium of exchange. Figure 1 presents an illustration of the conceptual framework that underpins this study. The UTAUT constructs of effort expectancy and performance expectancy are widely regarded as the most common predictors of behavioral intention to use technology. Furthermore, constructs such as facilitating conditions and social influence have been studied only rarely (Patil et al., 2020). The current investigation's theoretical framework was the UTAUT model. The relationship between the suggested predictors and the behavioral desire to use cryptocurrencies was also explored, as was the moderating effect of financial literacy.

As illustrated in Figure 1, performance expectancy, social influence, effort expectancy, and facilitating conditions were proposed as indicators of behavioral intention to use cryptocurrency among students at universities in Sri Lanka. It was also suggested that financial literacy was added as another independent variable that affects intention to use of cryptocurrency. Financial literacy refers to an individual's knowledge and understanding of financial concepts, such as budgeting, saving, and investing. In the context of cryptocurrency usage, individuals with higher financial literacy may have a better understanding of the risks and benefits associated with using cryptocurrencies, which could influence their behavioral intention to use them. Additionally, financial literacy may also affect individuals' ability to navigate the technical aspects of using cryptocurrencies, such as setting up wallets or making secure transactions.

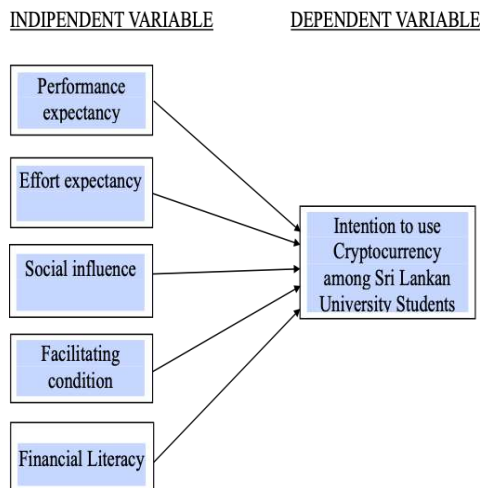


Figure 1 - Conceptual Framework
2.3.1 Intention to use Cryptocurrency.

According to Fishbein and Ajzen (1974) defined intention to use as “the strength

of one's intention to perform a specified behaviour". Financial innovation adoption describes the psychological state of the user's intention to use cryptocurrency as a medium of exchange and a store of value (Mazambani & Mutambara, 2019). The intention of accepting cryptocurrency will eventually lead to the actual use behaviour (Yeong et al., 2019). Here, the behaviour of undergraduate students is the dependent variable and other related subjects are the independent variables that determine the cryptocurrency adoption price of those undergraduate students (Yeong et al., 2019).

2.3.2 Performance Expectancy (PE)

This paragraph talks about how people's expectations of performance affect their decision to use cryptocurrencies. Previous studies have found a link between performance expectations and cryptocurrency use, which highlights the technology's potential to make work more efficient and make financial transactions easier. There is, however, mixed evidence. Some studies show that performance expectations have a negative effect on people's plans to use cryptocurrencies. In particular, Teri-Xi et al. (2021) talked about how important performance expectations are in Malaysia, but Reader et al. (2021) disagreed. The link between performance expectations and cryptocurrency adoption is still not clear and needs more research (Alalwan et al., 2017; Diep et al., 2016; Shaw & Sergueeva, 2019; Kim, 2021; Patil et al., 2020; Venkatesh et al., 2003; Gunawan and Novendra, 2017). Because of this, the PE hypothesis is:

H1: There is an impact of performance expectancy on the intention to use cryptocurrencies among Sri Lankan university students.

2.3.3. Effort Expectancy (EE)

According to Ter Ji-Xi et al. (2021), Effort Expectancy (EE) shows how easy a system is thought to be to use and how much work it takes to learn a new technology. EE is a key factor in figuring out how users will react to technology and how motivated they will be to use it. This is because knowing how cryptocurrency works is thought to keep users safe from scams, as Shehhi et al. (2014) pointed out. EE has a big effect on people's decisions to use cryptocurrencies, as shown by several studies (Alalwan et al., 2017; Mensah and Mwakapesa, 2022). It is important to note that EE has a positive effect on the acceptance of financial technologies in developing countries, but Yusof et al. found that it had a relatively small effect on the adoption of cryptocurrencies. So, more research is needed to figure out what the link is between effort expectation and the desire to use cryptocurrencies (Ter Ji-Xi et al., 2021). Because of this, the EE hypothesis is:

H2: There is an impact of effort expectancy on the intention to use cryptocurrencies among Sri Lankan university students.

2.3.4 Social Influence (SI)

People who are influenced by their friends, family, and other people in their social network are said to have social influence (SI) (Ter Ji-Xi et al., 2021; Venkatesh et al., 2012). Previous studies have shown that peer groups and word-of-mouth recommendations have a big effect on how people use technology (Nseke, 2018; Çalli, 2022). People are more likely to use financial systems if they have positive social influence, especially when it comes to mobile banking and mobile payments (Ter Ji-Xi et al., 2021). But different

studies have different opinions on how important social influence is in getting people to use cryptocurrencies. Some say it's not a big deal (Ter Ji-Xi et al., 2021; Hasan et al., 2022). Notably, because cryptocurrencies are new and not many people know about them, social influence may be very important for getting people to use them, especially college students (Adapa et al., 1970). More research needs to be done to fully understand how social influence affects the use of cryptocurrencies. Because of this, the SI hypothesis is:

H3: There is an impact of social influence on the intention to use cryptocurrencies among Sri Lankan university students.

2.3.5 Facilitating Condition (FC)

Facilitating Condition (FC) is how users think about the availability of the tech resources they need to use cryptocurrencies (Gupta et al., 2020; Venkatesh et al., 2012). Technology acceptance depends on having the right infrastructure and support in place (Alalwan et al., 2017). When the right infrastructure is in place in developed countries like the US, FC has a big effect on adoption. But in developing countries like India, where infrastructure isn't very good, the effects aren't very bad (Ter Ji-Xi et al., 2021). As a developing country, Sri Lanka also has trouble adopting cryptocurrencies because it lacks the necessary infrastructure and regulatory frameworks. Most of the time, facilitating conditions are seen as a strong indicator of someone's intention to adopt cryptocurrency. However, Yeong et al. (2022) found that they had little of an effect in their study. Based on

these results, the researchers came up with:

H4: There is an impact of facilitating conditions on the intention to use cryptocurrencies among Sri Lankan university students.

2.3.6 Financial Literacy (FL)

Stolper and Walter (2017) say that financial literacy (FL) is the ability to understand basic financial concepts so that one can make smart financial decisions. In this study, FL has to do with how well someone understands the data that cryptocurrencies provide (Jariyapan et al., 2022). Research has shown that knowing a lot about money has a big effect on many financial decisions (Saputra & Lestari, 2019). Because cryptocurrencies are a type of digital money, a person's level of FL can affect how much they use and understand cryptocurrencies (Alomari & Abdullah, 2023). If someone thinks bitcoin is valuable, it might have something to do with their FL (Chan et al., 2022). FL includes the knowledge of financial products and ideas, as well as the maths and numeracy skills needed to make smart financial decisions. There is a strong link between knowing about money and how to handle it (Jariyapan et al., 2022). This is especially true for college students. Because of this, the FL hypothesis is:

H5: There is an impact of financial literacy on the intention to use cryptocurrencies among Sri Lankan university students.

3. METHODOLOGY

This study examines the factors affecting cryptocurrency usage among 200 Sri Lankan undergraduate students

using quantitative research design. The deductive methodology is used to test hypotheses and establish causal relationships. Data is collected through convenience sampling, surveys, and secondary sources from previous studies. Correlation and regression analysis are used to measure the relationship between independent and dependent variables. The study aims to understand the factors influencing cryptocurrency usage among Sri Lankan university students.

3.1 Population and Sample

This study tries to find out “Factors Influencing Intention to use Cryptocurrency among Sri Lankan University Students? “Regarding this title, information can be collected from generation z, therefore, undergraduate candidates in Sri Lanka are selected for this, and those undergraduate candidates are selected through Sri Lankan government and private universities.

3.2 Sample Size and Selection of Sample

This study utilized a quantitative-based research method to achieve the aim and objectives of research. The target population of this study was university students in Sri Lanka. The current generation of university students in Sri Lanka was focused because they are mainly a part of Generation Z. Morgan table was used to determine the sample size from the respondents. Hence the sample size of the calculated as 200 out of 250 undergraduate students in the population. A total of 250 responses were obtained for this study, with 50 being removed due to incomplete information being provided, leaving 200 relevant responses. Convenient

sampling technique was used because it is convenient, cost efficient, and easy.

3.3 Source of Data

In conducting this research, the primary data obtained by the researcher is very important. This primary data is obtained from undergraduate students in all the faculties in the university through surveys. Also, through this primary data, important data is obtained to justify the hypotheses related to the researcher's research. And secondary data also gathered through Journal articles and Other published data. The process of gathering and measuring information on variables is referred to as data collection, and the two ways that are detailed below were utilized in order to collect data for this particular study.

3.4 Data Analysis Strategies

It is very important to measure the relationship between the independence and dependent variables constructed by the examiner and the strength and direction of that relationship, and through that, the relevant assumptions are justified, and the relevant objectives are achieved. Therefore, to analyze the data related to this process, the inspector performs correlation analysis. Also, for this test, the examiner uses regression analysis to analyze the data related to measuring the relationship between the independence variable and the dependent variable. One of the most used methods of statistical analysis is called correlation, and its purpose is to establish the degree of linear connection that exists between an independent variable and a dependent variable. It is also a famous analytical tool.

4. RESULTS

4.1 Sample profile of respondents

In this study demographic information, including age, gender, academic year, cryptocurrencies, monthly income level, etc. At the moment in the survey process, descriptive analysis is used to summarize demographic data.

Gender	<i>f</i>	%
Male	79	40.3
Female	117	59.7
Age		
Bellow 20	7	3.6
20 to 25 years	183	93.4
25 to 30 years	6	3.1
Undergraduates		
Valid	196	100
I have purchased Cryptocurrencies		
yes	74	37.8
No	64	32.7
But I would like to purchase in the future	58	29.6
Monthly income level		
No Income	89	45.4
Less than 20 000	26	13.3
20 000 - 40 000	43	21.9
40 000 - 60 000	26	13.3
More than 60 000	12	6.1

Table 1 - Demographic profile of the respondents.

According to the table 01, Gender was requested as a demographic indicator of respondents. According to the descriptive statistics, females comprise a marginally larger proportion of the sample than males. There are more women than men who responded to the survey; 40.3% of respondents are male and 59.7% are female. The age of the

respondents was a further piece of information collected via the questionnaire. There are three age groups considered in this report: Age categories include below 20, 20 to 25 years, 25 to 30 years old. The majority of respondents to this survey are between the ages of 20 and 25. About 93.4% of the World's Population. After that the second one is below 20, while those aged 25 to 30 is the smallest proportion. Researcher study about factors influencing intention to use crypto currency among Sri Lankan university students, so in that case all the population sample is undergraduate. Researchers removed the 4 outliers (Not undergraduates). According to descriptive data, the vast majority of data says about they purchased cryptocurrencies and 29.6% percent would like to purchase them in the future. 32.7% didn't want to purchase cryptocurrencies. According to the table most people have no income, after that 20,000 – 40,000 amounts of income have 21.9% this is second largest, third one is less than 20,000 and 40,000 – 60,000 categories. The smallest category is more than 60,000.

4.2 Test of Reliability Analysis

Variables	Cronbach alpha	Reliability
Performance expectancy	0.857	Reliable
Effect expectancy	0.933	Reliable
Social influence	0.854	Reliable
Facilitating condition	0.909	Reliable
Financial Literacy	0.889	Reliable
Intention to use Cryptocurrency.	0.849	Reliable

Table 2 – Reliability Analysis
(Source: Author developed)

According to Table 2, the reliability of all study variables (Performance expectancy, effect expectancy, social influence, facilitating condition, financial literacy, intention to use cryptocurrency) is greater than 0.70, indicating that all study variables are reliable. It demonstrates that the measurement of each variable is consistent across all measuring objects. In other words, all variables in this study generate stable and consistent outcomes. This study's most consistent variable is effect expectancy, which has a Cronbach's value of 0.933, while the least consistent variable is intention to use cryptocurrency, which has a Cronbach's Alpha value of only 0.849.

4.3 Correlation Analysis

Variables	Items	Correlations
Intention to use Cryptocurrency	Pearson Correlation	1
Performance expectancy	Pearson Correlation	.678
Effect expectancy	Pearson Correlation	.618
Social influence	Pearson Correlation	.600
Facilitating condition	Pearson Correlation	.628
Financial Literacy	Pearson Correlation	.450

Table 3 – Correlation Analysis

In table 03, Positive correlations exist between performance expectancy (Pearson correlation 0.678, p.000), effect expectancy (Pearson correlation 0.618, p.000), social influence (Pearson correlation 0.600, p.000), facilitating condition (Pearson correlation 0.628, p.000) and financial literacy (Pearson

correlation 0.450, p.000) (all significant) and intention to use cryptocurrency. Given that the p- values of all independent variables are less than 0.05, It follows that intention to use cryptocurrency is positively correlated with all of them.

Based on the data, researcher make the following interpretations regarding the hypotheses:

H1: There is an impact of performance expectancy on the intention to use cryptocurrencies among Sri Lankan university students.

The positive correlation between performance expectancy and intention to use cryptocurrency (0.678, $p < 0.05$) supports H1. This suggests that as performance expectancy increases (e.g., perceived benefits or usefulness of using cryptocurrency), the intention to use cryptocurrency also increases among Sri Lankan university students.

H2: There is an impact of effort expectancy on the intention to use cryptocurrencies among Sri Lankan university students.

The positive correlation between effect expectancy and intention to use cryptocurrency (0.618, $p < 0.05$) suggests that as the perceived ease of use or effort expectancy increases, the intention to use cryptocurrency also increases. Thus, this supports H2.

H3: There is an impact of social influence on the intention to use cryptocurrencies among Sri Lankan university students.

The positive correlation between social influence and intention to use cryptocurrency (0.600, $p < 0.05$) supports H3. This indicates that the influence of social factors on the intention to use cryptocurrency is

significant among Sri Lankan university students.

H4: There is an impact of facilitating conditions on the intention to use cryptocurrencies among Sri Lankan university students.

The positive correlation between facilitating conditions and intention to use cryptocurrency (0.628, $p < 0.05$) supports H4. This suggests that when there are favorable conditions or resources available, the intention to use cryptocurrency increases among Sri Lankan university students.

H5: There is an impact of financial literacy on the intention to use cryptocurrencies among Sri Lankan university students.

The positive correlation between financial literacy and intention to use cryptocurrency (0.450, $p < 0.05$) supports H5. This implies that individuals with higher financial literacy are more likely to intend to use cryptocurrency among Sri Lankan university students.

4.4 Regression and Hypothesis Testing

In the table 4, Regression analysis can be used to test hypotheses about the influence of multiple independent variables on a single dependent variable. This not only analyses the relationship between the independent variable and the explanatory factors, but also the strength of those relationships. How much a dependent variable varies as a result of changes in a set of independent variables can be calculated with the aid of multiple regression, a statistical technique. The dependent variable is regressed against the set of independent factors, and the regression coefficients

resulting from this process are analyzed (Sekaran & Bougie, 2016). If you have a measurable dependent variable and a set of independent variables, you can use the powerful and versatile instrument of regression analysis to investigate their relationships. Therefore, multiple regression analysis is an essential statistical technique. Regression analysis demands its application. This report contains three tables: a variance analysis table, a model summary table, and a coefficients table.

Model Summary			
R Square	0.538		
Adjusted R square	0.526		
Model Significance	0.000		
Hypothesis Testing	B Coefficient (Beta)	Significance	H0
H1:	0.552	0.000	Reject
H2:	0.080	0.456	Accept
H3:	0.028	0.793	Accept
H4:	0.318	0.001	Reject
H5:	0.036	0.636	Accept

Table 4 – Model Summary

4.4.1 Regression Analysis

In the table 4, The coefficient of determination (R squared) indicates the degree to which the variations in the independent variables can explain the variation in the dependent variable's outcome. In other terms, R Square is the proportion of the variation in the dependent variable that can be

explained by a linear model. When R square is high, model fit will improve; in this case, R square is 0.538, which is greater than 0.5, so model fit has improved. The R square value also indicates that all independent variables explain the dependent variable by 53.8% (0.538) when taken together. Adjusted R- square reveals whether additional input variables contribute to the model. Since the adjusted R square is 0.538, the addition of the new variable will reduce the predictive power. Despite the fact that the R- squared value of this study is greater than 0.5 ($0.538 > 0.5$), this is not an extremely fit model. Consequently, this can serve as a paradigm for future research.

4.4.2 Hypothesis Testing

H1: There is an impact of performance expectancy on the intention to use cryptocurrencies among Sri Lankan university students. According to regression significance values, the Performance expectancy value is less than 0.05 ($0.000 < 0.05$). Consequently, H0 is rejected. In addition, the beta coefficient is 0.552, which indicates that performance expectancy has a 55.2% impact on the cryptocurrencies among Sri Lankan university students. As described, this is a positive relationship. It implies that use cryptocurrencies among Sri Lankan university students by 0.552% if it increases Performance expectancy by 1 unit. H2: There is an impact of effort expectancy on the intention to use cryptocurrencies among Sri Lankan university students.

According to regression significance values, the effort expectancy value is more than 0.05 ($0.456 > 0.05$). Consequently, H0 is accepted. When the

social impact variable is used in a regression analysis, the p-value is 0.793, which is higher than the 0.05 significance level that is usually used. This means that the null hypothesis (H0) is true. In the regression model, this means that there isn't enough statistical proof to say that the social influence variable has a big effect on the dependent variable. The social influence factor is not a significant predictor in this study because its p-value is higher than the 0.05 level that is usually used to show statistical importance.

H3: There is an impact of social influence on the intention to use cryptocurrencies among Sri Lankan university students.

According to regression significance values, the social influence value is more than 0.05 ($0.793 > 0.05$). Consequently, H0 is accepted. In regression analysis, the social impact variable has a p-value of 0.793, which is higher than the 0.05 level of significance that is usually used. This means that the null hypothesis (H0) is true. In the regression model, this means that there isn't enough statistical proof to say that the social influence variable has a big effect on the dependent variable. The social influence factor is not a significant predictor in this study because its p-value is higher than the 0.05 level that is usually used to show statistical importance.

H4: There is an impact of facilitating conditions on the intention to use cryptocurrencies among Sri Lankan university students.

According to regression significance values, the facilitating conditions value

is less than 0.05 ($0.001 < 0.05$). Consequently, H_0 is rejected. In addition, the beta coefficient is 0.318, which indicates that performance expectancy has a 31.8% impact on the cryptocurrencies among Sri Lankan university students. As described, this is a positive relationship. It implies that use of cryptocurrencies among Sri Lankan university students by 0.318% if it increases facilitating conditions by 1 unit.

H_5 : There is an impact of financial literacy on the intention to use cryptocurrencies among Sri Lankan university students.

According to regression significance values, the financial literacy value is more than 0.05 ($0.636 > 0.05$).

Consequently, H_0 is accepted. When we use regression analysis, the p-value for the "financial literacy" variable is 0.636, which is higher than the normally accepted level of significance of 0.05. This means that the null hypothesis (H_0) is true. This means that there isn't enough data to say for sure that the "financial literacy" variable has a big effect on the dependent variable in the regression model. The "financial literacy" factor is not statistically significant because its p-value is higher than 0.05. This means it may not be a very good predictor in the model.

5. DISCUSSION

The current study aimed to investigate the factors influencing the intention of Sri Lankan university students to utilize cryptocurrency. Analysis of data collected from 200 respondents out of 250 distributed questionnaires revealed that the adjusted R-square value of 0.538 indicates approximately 53.8% of

the variation in students' intention to use cryptocurrency could be explained by the model. The remaining 46.2% suggest the existence of other unexplored factors affecting their intention.

Performance expectancy and facilitating conditions emerged as significant factors influencing undergraduates' intention to use cryptocurrency, explaining 67.8% and 62.8% of the variance, respectively. However, variables such as financial literacy, perceived risk, effort expectancy, and social impact did not significantly affect the results. The strong influence of performance expectancy aligns with findings from previous studies. For instance, Arias-Oliva et al. (2019) established a significant relationship between performance expectancy and cryptocurrency usage. Similarly, studies on various financial technologies like biometric payment services (Kim et al., 2018), plastic money (Makanyeza & Mutambayashata, 2018), and online banking (Khan et al., 2017) have demonstrated the impact of performance expectancy on acceptance. Facilitating conditions also showed a significant impact on cryptocurrency intention, although findings in previous literature are mixed regarding its influence on financial technology acceptance. Notably, effort expectancy, social influence, and financial literacy did not significantly influence cryptocurrency usage intentions in this study, consistent with findings from previous research.

Effort expectancy's lack of significance contradicts previous studies suggesting its influence on fintech acceptance, highlighting variations in findings across different contexts (Khan et al., 2017; Warsame & Ileri, 2018).

Similarly, social influence has been found to have no bearing on the adoption of various financial technologies (Makanyeza & Mutambayashata, 2018; Khan et al., 2017), including cryptocurrencies (Arias-Oliva et al., 2019).

Regarding financial literacy, while it is often associated with better financial decision-making, our study found no significant influence on cryptocurrency adoption intentions. This finding is consistent with Arias-Oliva et al. (2019), suggesting that financial literacy may not directly impact technology acceptance decisions but rather investment choices.

In conclusion, the proposed model, including performance expectancy and facilitating conditions, explains a significant portion of the variance in students' cryptocurrency adoption intentions. However, the presence of unexplored factors indicates the need for further research to comprehensively understand the dynamics influencing cryptocurrency adoption among Sri Lankan university students.

6. IMPLICATION

This research contributes to our knowledge of the legal framework surrounding the adoption of cryptocurrencies by Sri Lankan university students, both theoretically and practically. This research has two theoretical implications. Firstly, it fills a critical empirical gap in the field of cryptocurrency studies by examining the specific factors influencing cryptocurrency intention in a Sri Lankan context. While there is a wealth of international research on cryptocurrencies, our study provides unique insights into the local dynamics

and challenges faced by Sri Lankan undergraduates (Chaturika, 2021). The second thing our research adds to the body of theory is by showing how the global cryptocurrency phenomenon shows up in different cultural and legal settings. This localized view gives us a better idea of how people actually use cryptocurrencies (Jariyapan et al., 2022). This study has implications that go far beyond academia from a practical point of view. Giving people, especially undergraduates, the information and knowledge they need to make knowledgeable decisions about how to use cryptocurrencies is a big practical achievement. As cryptocurrencies become more popular in the global financial world, our research gives people the tools they need to find their way around this complicated and changing area, lowering the risk of losing money and raising financial literacy. In addition, our research could have a bigger effect on society and the economy. We help the local cryptocurrency market grow by making more people in Sri Lanka aware of and knowledgeable about cryptocurrencies. This encourages new ideas, investment, and job creation. This study encourages people to use the digital economy in a responsible way. This brings Sri Lanka in line with global financial trends and creates new ways for the economy to grow. It is also important not to underestimate the policy and regulatory implications of this study. There are important lessons to be learned from the results that can help make cryptocurrency laws and rules work in Sri Lanka. These rules can have long-lasting effects on how cryptocurrencies are treated by the law, how stable the financial sector is, and how the rights and interests of cryptocurrency users are

protected. In the end, this research is important for both theory and practice because it not only fills in gaps in our knowledge about how people use cryptocurrencies, but it also educates people, changes society, and helps policymakers make decisions about how to handle the changing cryptocurrency landscape in Sri Lanka.

7. LIMITATION

In this research, the researcher can identify that the undergraduate is not only the person who is doing the crypto business in Sri Lanka. But only considering factors undergraduate, researchers comment according to all investors using the undergraduate variables. This research does not consider the risk factors coming into the environment; therefore, it cannot get the 100% correct reliability value for the model. Researchers have only a limited time period; therefore, it will be difficult to address all the populations of undergraduates; therefore, select a sample. So, the sample does not explain the 100% accurate answer to all the undergraduates. In this research, the age gap does limit. That is also one of the major limitations because those over 30 years old also use cryptocurrency, but in this study, the researcher did not focus on them.

8. SUGGESTION FOR FUTURE RESEARCH

Future researchers can conduct research without imposing age limits on their audiences. Therefore, they can invite all crypto investors to explore the factors influencing the intention to use cryptocurrency among Sri Lankan university students. Future researchers can also investigate how stock market

investors can invest in the crypto business in Sri Lanka. Since undergraduates are not the only individuals investing in the crypto business, it's crucial to learn about other investors as well. Therefore, it's important to prioritize learning about them too.

9. CONCLUSION

The analysis of data using SPSS software revealed that only two out of the five variables had a significant impact on students' behavior—performance expectation and facilitating conditions, which accounted for 67.8% and 62.8% of the intention to use cryptocurrency, respectively. The adjusted R-square value of 0.538 suggests that while the model explains a substantial portion of students' cryptocurrency adoption intentions, other unexplored factors or contextual elements may also influence their decisions. This underscores the importance of considering additional determinants. The study contributes both theoretically and practically to our understanding of cryptocurrency adoption among Sri Lankan university students. It fills an empirical gap in the field, offering insights into the unique dynamics and challenges faced by local undergraduates. Moreover, it provides a localized perspective on how the global cryptocurrency phenomenon manifests within different cultural and legal contexts. From a practical standpoint, this research equips people, especially undergraduates, with the knowledge needed to make informed decisions about cryptocurrency use, lowering the risk of financial loss and promoting financial literacy. It also fosters awareness and knowledge of cryptocurrencies within Sri Lanka,

potentially spurring economic growth and responsible digital economic participation. Furthermore, this study has policy and regulatory implications, offering valuable lessons to shape effective cryptocurrency laws and rules in Sri Lanka. These regulations can significantly impact how cryptocurrencies are legally treated, financial sector stability, and the protection of cryptocurrency users' rights and interests. In conclusion, this research is crucial for both theory and practice, bridging knowledge gaps while driving societal awareness and helping policymakers navigate the evolving cryptocurrency landscape in Sri Lanka. The study can be taken as a recommendation to policymakers and higher authorities to avoid the risk of using cryptocurrencies by regulating it properly and also spreading awareness among university students to avoid any financial losses.

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Determinants Affecting Customer's Behavioral Intention to Adopt Internet Banking in Sri Lanka: A Case from Commercial Bank of Ceylon PLC

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ABSTRACT

In this modern era internet banking plays a major role in the banking industry but most of the customers are still more attached to doing their banking transactions by traditional methods. Therefore, this study mainly focuses on why customers still do not turn to Internet banking. Through research questions developed to achieve the research goals of the study. The Technology Acceptance Model and Unified Theory of Acceptance and Use of Technology developed the conceptual framework of this study. A cross-sectional study was used to collect data and a convenience sampling method was used to distribute the questionnaire survey to 200 individuals. Data analysis was conducted by using SPSS and Microsoft Excel. The findings of the analysis indicate the relationship between independent variables (performance expectancy, effort expectancy, facilitating conditions,

perceived risk) and dependent variable (customer's behavioral intention). Through the findings, the researcher has suggested recommendations and future research areas as well.

Keywords- Customer's behavioral intention, Internet banking, Banking industry

1. INTRODUCTION

Internet banking (IB) is a virtual payment system that provides various kinds of financial transaction services for the customers of banking and other financial organizations through their websites. It is also referring as e-banking, online banking, or virtual banking. (Frankenfield Jake, 2023) The study has concluded the broad problem area as in Sri Lanka larger population is using the internet and social media but less percentage are using banking services to do transactions in day-to-day life.

So, reasons for the broad problem can be lack of technological advancement, lack of technology awareness, lack of technology infrastructure facilities are cost for people in Sri Lanka, and also customers have trust issues regarding internet banking because it is still new for them. (Frankenfield Jake, 2023) comparing Sri Lanka's population and Internet usage, it is clear that a very small percentage of individuals use the Internet to conduct banking-related transactions.

Because customers still trust the process of traditional banking methods and do not have enough knowledge regarding the Internet banking system.

This is the knowledge gap and through this study, this would be the main focus. So, in order to fill this gap researchers, need to do more studies based on this area.

Further, this study is required to determine the determinants affecting customer's behavioral intention to adopt Internet banking services in Sri Lanka: A case from Commercial Bank of Ceylon PLC would be the research problem under this investigation. The goal of this study is to pinpoint the causes of Sri Lanka's outdated viewpoints and explain why customers are not adopting for Internet banking.

The study's conclusions would be helpful to both banks and customers. This examines the effects of the dependent variable, independent factors on the Commercial Bank of Ceylon PLC in Sri Lanka. (Jayasiri et al., 2016)

1.1 Research Question

In this study main target is to accomplish the following question,

- What are the key determinants influencing customers' behavioral intention to adopt Internet banking in Commercial Bank of Ceylon PLC?

1.2 Research Objectives

The main target of this study is to determine the key factors influencing customer's behavioral intention to adopt Internet banking in Commercial Bank of Ceylon PLC. Sub-objectives are as follows,

- To determine the performance expectancy, has a significant impact on customer's behavioral intention to adopt Internet banking in Commercial Bank of Ceylon PLC.
- To determine the effort expectancy, has a significant impact on customer's behavioral intention to adopt Internet banking in Commercial Bank of Ceylon PLC.
- To determine the facilitating condition, has a significant impact on customer's behavioral intention to adopt Internet banking in Commercial Bank of Ceylon PLC.
- To determine the perceived risk, has a significant impact on customer's behavioral intention to adopt Internet banking in Commercial Bank of Ceylon PLC. (Alsheikh & Bojei, 2014)

2. LITERATURE REVIEW

The purpose of this study is to learn the conclusions made by past researchers on this subject. This shows how the study's problem is related to the hypothesis, research objectives, and research questions. There was a lot of attention paid to determinants affecting customer's behavioral intention to adopt Internet Banking in Sri Lanka and the relationship between customer's behavioral intention with the other factors. As a result, I refer to the previously published study articles for the literature.

2.1 Technology Acceptance Model (TAM)

Several information systems concepts have been adopted theoretically to explain this behavior. The technology acceptance model (TAM), which focuses on perceived usefulness and simplicity of use, has been developed primarily to explain why customers adopt Internet banking.

The TAM has been altered and expanded, nevertheless, the addition of new elements like perceived risk and the requirement for interaction also coupled trust with perceived usefulness and simplicity of use to explain Estonians' acceptance of online banking. Similar presented perceived enjoyment, privacy and security, quality of Internet connection, and online information alongside the TAM components. (Alalwan et al., 2014)

An information systems concept called the Technology Acceptance Model (TAM) looks at how people adopt and use technology. How someone views a computer affects how they use it. In empirical research that examined people's propensity to accept and use new technology, the Technology Acceptance Model has been widely used.

The TAM model states that two sets of underlying antecedents: beliefs, perceived usefulness and ease of use, and trust determine behavioral intention to use technology and successfully draw clients. The TAM, however, falls short of truly portraying how people use Internet-based systems, notably Internet banking because it has a history of stressing system features.

Researchers have frequently used the Technology Adoption Model (TAM) to examine the acceptance and use of online banking. The Technology Acceptance Model has been effective at predicting customers' technology adoption trends. The TAM's design is what gives it utility and simplicity. (Jegatheesparan & Rajeshwaran, 2020)

2.2 Unified Theory of Acceptance and Use of Technology (UTAUT)

They thus developed a new theory known as the unified theory of acceptance and application of technology (UTAUT) to be as a united form benefiting from all other already described theories and models' distinctive characteristics. Performance

expectancy, effort expectancy, and social influence are the three variables on behavioral intention that the UTAUT model was created to have three direct effects. (Momani,2020)

The UTAUT model is thought to be the most up-to-date and commonly applied theory for examining how people adopt IT. As a result, it serves as the research's grounded theory. According to the assumptions of the UTAUT theory, research acceptance includes a set of four moderates that can be utilized to evaluate dynamic impacts. These dynamic factors include the user experience, the organizational setting, and demographic traits. This model has undergone extensive testing, and it has been determined to be the most complete and preferable among the current technological acceptance models. In comparison to earlier models, this model has received the least amount of investigation because it was discovered to be the most desirable. Performance Expectancy, Effort Expectancy, Social Influence, Facilitating Conditions, Behavioral Intention, and Usage Behavior are the core constructs of this theory. (Malik, 2020)

2.3 Customer's Behavioral Intention to Adopt (CB)

According to (Al-Emran et al., 2022)"The intention of use, or the users' perception of their capacity to use information system (IS)," is defined. also have described the "intention of Using the proposed use of the outputs or IS. Numerous research studies

have suggested the user's attitudes toward IS that Intention to Use, clients in some Countries do not place much importance on Internet banking. They believe that Internet banking and ATMs are more crucial. The alternative banking methods. Utilization of online banking by customers' demands technology acceptability, which can be challenging.

Due to the fact that it entails altering behavioral habits and becoming comfortable with technology and financial assistance. behavioral intention is a measurement of one's intention to carry out a particular behavior. the use of Internet technology adoption, which might be challenging since it entails modifying habits of conduct and adjusting to both financial services and technology.

In earlier research, it has been demonstrated that deliberate behavior is connected to in-person conduct. In the conversation, a solid understanding of Internet banking will be planned to purchase or utilize Internet banking services frequently or rarely.

According to Inder et al., (2022) stated that explored how user-espoused cultural values in Fiji affected people's behavioral intentions to embrace IB. Their research indicates that IB adoption is positively influenced by degrees of performance expectation, effort expectation, social influence, and conducive environments. It was found that IB intention positively affects usage behavior, which in turn positively affects customer happiness.

According to (Al-Fahim et al., 2021) Internet banking adoption is the use of customers to access various online services such as loan applications, transactions, balance checks, purchasing, and other services. IB has been extensively studied in the past, particularly in developed nations. As a result, the literature has benefited from new ideas and insights, particularly when it comes to demonstrating how technology factors affect people's intentions to use and adopt IB technology.

The TOE framework has been used by the bulk of earlier studies to examine the effects of different variables on behavior and attitude regarding the adoption of technology.

2.4 Performance Expectancy (PEX)

(Al-Emran et al., 2022) stated that Performance expectation is the level of utilization of any Internet banking application to which users believe that their use of online banking aids them in executing any banking jobs.

According to a few other researchers, performance expectancy is the purposeful action that leads people to adopt Internet banking. found a favorable correlation between PEX and bank clients' behavioral intentions. They confirmed that bank customers' attitudes toward Internet banking depend on performance expectations from the viewpoint of the consumers.

Performance expectancy (PE) can be described in terms of the benefits gained.

from using Internet banking, such as time, money, and effort savings, increased accessibility, and customizability, making it more effective than a traditional encounter. Therefore, it has been largely accepted that either PE or its captured elements, including usability and relative advantages, are the primary predictors of behavioral intention toward Internet banking. (Alalwan et al., 2014)

2.5 Effort Expectancy (EEX)

Effort expectation is the degree to which a person is at ease and requires little effort when using Internet banking. People are more likely to accept Internet banking when they think it is simple (Chaouali et al., 2016). Previous studies (Riffai et al., 2012; Martins et al., 2014; Rahi et al., 2018b) have demonstrated that effort expectancy has a significant impact on behavioral intention to use online banking. (Al-Emran et al., 2022)

According to Venkatesh et al. (2003), Expectancy performance is represented as the technology or system's usability. Less complicated systems or technologies are preferred by users, and they are more likely to promote them to family and friends.

According to earlier research, Effort expectancy is a great factor that affects a person's intention to accept and use IB technology (Venkatesh et al., 2003; Venkatesh & Zhang, 2010). Therefore, it is situated that one of the major factors affecting IB's acceptance and adoption is effort expectancy. A significant positive link between effort

expectancy and behavioral intention services was found by Tsourela and Roumeliotis (2015). (Al-Fahim et al., 2021)

2.6 Facilitating Conditions (FC)

Facilitating conditions is another platform that encourages people to use Internet banking. Facilitating conditions is described as "the extent to which an individual believes that system usage has been backed by an organization and technological infrastructure" (Venkatesh et al., 2003). Internet access, strong internet-capable devices (tablets, laptops, and PCs), the appropriate software, and programming knowledge are requirements for using Internet Banking.

Previous studies discovered a favorable correlation between Facilitating conditions and usage patterns across a variety of scenarios. (Al-Emran et al., 2022). Facilitating conditions are "the extent to which an individual believes that a technological and organizational framework exists to support the use of the system." In fact, accessing Internet banking typically necessitates a certain level of technological infrastructure, resources, and expertise and these amenities are typically not provided at no cost to the consumer.

Therefore, enabling factors could be crucial in influencing or impeding customers' intention to use Internet banking and adoption as well as enabling the benefits that can be gained from doing so. (Alalwan et al., 2014)

2.7 Perceived Risk (PR)

The chance of a consumer experiencing a loss while seeking favorable outcomes when applying for Internet banking is known as

perceived risk (Featherman and Pavlou, 2003; Pavlou, 2001). As customers' concerns and fears have an increasingly significant impact on their willingness to use Internet banking, perceived risk has drawn the attention of both practitioners and academics.

Due to the high levels of uncertainty, tangibility, variation, and hazy results associated with using this channel, this position also becomes more prevalent in the Internet banking sector (Alalwan et al., 2014).

Accordingly, (Hapuarachchi et al., 2020) stated that banking transactions are personal monetary transactions that require a higher level of security and dependability. It highlighted that because of this goal, online clients may feel insecure in the event that they suffer financial loss as a result of bank account misuse, which will increase their perceived risk when doing internet banking transactions.

Additionally, defined perceived risk as "the circumstance in which the decision maker has a prior knowledge of both the consequences of alternatives and their probabilities of occurrence." The risk of using the internet is clearly stated in the definition, which also addresses the likelihood of alternative results. According to Bhimani, the main barrier to the development of electronic commerce is a lack of internet security.

Additionally, researchers established a link between perceived risk and consumer decision-making.

3. CONCEPTUAL FRAMEWORK

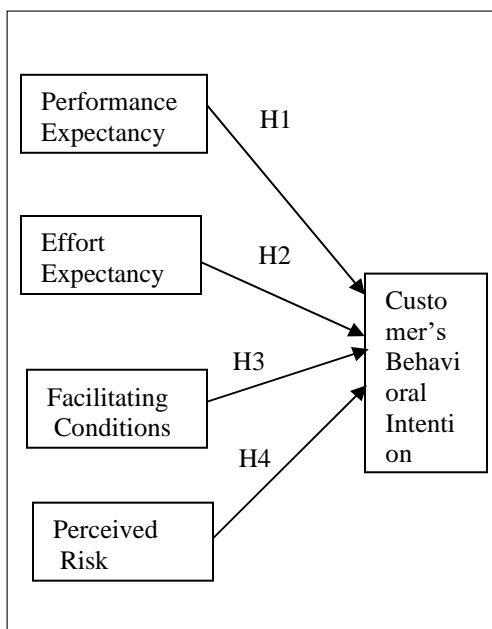


Figure 3. 1. Conceptual Framework

4. HYPOTHESES

H₁: There is a significant impact from performance expectancy to customer's behavioral intention to adopt Internet banking.

H₀: There is no significant impact from performance expectancy to customer's behavioral intention to adopt Internet banking.

H₂: There is a significant impact from effort expectancy to customer's behavioral intention to adopt Internet banking.

H₀: There is no significant impact from effort expectancy to customer's behavioral intention to adopt Internet banking.

H₃: There is a significant impact from

facilitating conditions to customer's behavioral intention to adopt Internet banking.

H₀: There is no significant impact from facilitating conditions to customer's behavioral intention to adopt Internet banking.

H₄: There is a significant impact from perceived risk to customer's behavioral intention to adopt Internet banking.

H₀: There is no significant impact from perceived risk to customer's behavioral intention to adopt Internet banking.

5. METHODOLOGY

This study is based on the deductive approach, which is usually used for theory testing, and positivism served as the foundation for this study. This study is a cross-sectional study due to data being gathered at a certain moment in time.

Further, the major goal of this quantitative research study was to determine the key factors influencing customers' behavioral intention to adopt

internet banking in Commercial Bank of Ceylon PLC.

Therefore, All the banking institutions that use Internet banking in Sri Lanka were regarded as the population of this study.

Based on the population out of all the banking institutions in Sri Lanka, customers of all the Commercial Bank of Ceylon PLC in the Colombo district were considered as the sample for this study because they are awarded by the famous UK-based Asiamoney Magazine as the "Best Bank for Digital Solutions in Sri Lanka" and only focus on Colombo district due to out of the total branches most of the branches are located in Colombo a total of 78.

To select the survey participants, we used the convenience sampling method, and based on the Morgan Table sample size was determined as 384 but due to the time limitation only collected 200 samples so the final sample size was considered as 200 individuals. (Akhter et al., 2022) For this study, our primary technique of data collecting was through questionnaires.

The surveys were distributed via online. By examining previously published studies, the questionnaire was developed. Additionally, SPSS will be utilized to analyze the collected data. Through SPSS used reliability analysis, correlation analysis, and regression analysis methods to analyze the data.

6. DATA ANALYSIS AND RESULTS

Collected data were analyzed by using the IBM SPSS Statistics 27 version. The results have been utilized under descriptive statistics and

inferential statistics.

Descriptive statistics analysis is done using frequency analysis. Further reliability analysis, correlation and regression analysis are used to analyze the inferential statistics.

6.1 Descriptive Statistics for Demographic Profile

This section provides the data collected from the respondents' responses regarding their characteristics such as gender, age, income level, occupation, internet access method, internet usage, use banking facilities, banking facilities used, awareness about internet banking usage, internet banking usage experience, the purpose of using internet banking, and banking method preference. For analyzing the demographic information here used the frequency analysis.

After analyzing the collected data from 200 respondent's majority of respondents are females and it is 66% males are 34%. In the age range of 24-29 years old (45.5%) respondents have participated for this and 72.5% of customers have an income level of Rs. 50,000 below.

Out of the 200 total sample employees of the government and private sector (50%) have engaged in this study. When

considering the internet access method 91 respondents prefer to use WIFI and 68.5% use the internet in daily basis. Most of them have used bank facilities and they also have an awareness of internet banking.

6.2 Reliability Analysis

Variable	Cronbach's Alpha	Reliability
Performance expectancy	0.945	0.945
Effort expectancy	0.938	0.938
Facilitating conditions	0.882	0.882
Perceived risk	0.907	0.907
Customer's behavioral intention	0.937	0.937

Table 6. 1. Reliability Analysis

Table 6.1 presents the Cronbach's Alpha values of all the independent variables and the dependent variable. All the variables have Cronbach's alpha value above 0.70 which indicates that all the above variables in this study are valid.

The independent variables of performance expectancy, effort expectancy, facilitating conditions, and perceived risk have values of 0.945, 0.938, 0.882, and 0.907 respectively. Moreover, the dependent variable of the customer's behavioral intention is 0.937. Therefore, all of these variables show a strong reliability and internal consistency among the variables.

6.3 Correlation Analysis

Dependent Variable	Independent Variable	Pearson correlation	Significance of the relationship
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Customer's behavioral intention	Performance expectancy	0.730	0.001
Customer's behavioral intention	Effort expectancy	0.630	0.001
Customer's behavioral intention	Facilitating conditions	0.808	0.001
Customer's behavioral intention	Perceived risk	0.172	0.015

Table 6. 2. Correlation Analysis

All the independent variables have a positive correlation with the dependent variable and when the independent variable increased, the customer's behavioral intention also increased. The significance value of less than 0.05 suggests that there is a significant correlation.

6.4 Regression Analysis

Model	R	Adjusted R Square	Std. Error of the Estimate
1	.841 ^a	.708	.45527

a. Predictors: (Constant), Mean_PR, Mean_EEX, Mean_PEX, Mean_FC

The coefficient of determination (R squared) demonstrates the amount of variation in the dependent variable's result that can be accounted for by changes in the independent variables. R Square is the percentage of the dependent variable's variation that a linear model can account for. When the adjusted R square is high, the model fit will improve. In this study, four independent variables are impacted on the dependent variable. Moreover, if the model is fit then the adjusted R square should be greater than 0.5 and here the adjusted R square is 0.702 it indicates the higher model fit. According to the adjusted R square value all of the independent variables together predict 70% of the dependent variable. 30% of the remaining is described by the variables which are not considered in this study.

Model	Sum of Square	df	Mean Square	F	Sig.
1 Regression	97.910	4	24.477	118.094	.000 ^b
Residual	40.418	195	.207		

Total 138.328 199

a. Dependent Variable: Mean_CB

b. Predictors: (Constant), Mean_PR, Mean_EEX, Mean_PEX, Mean_FC

Table 6. 4. ANOVA Table

Model	Standardized Coefficients	t	Sig.
1 (Constant)	.193	2.230	.027
Mean_PEX	.053	5.414	.000
Mean_EEX	.049	1.682	.094
Mean_FC	.070	8.092	.000
Mean_PR	.039	-.386	.700

a. Dependent Variable: Mean_CB

when considering the standardized coefficients beta values of the variables are 0.301, 0.094, 0.534 and -0.016 among them facilitating conditions having the highest standardized coefficients beta value and it is the most essential variable and perceived risk having the lowest standardized coefficients beta value in this study. If a variable is significant enough to be

included in the model, which variable has the most influence on the predictor variable when considering about that both the Performance expectancy and facilitating conditions have significance values of 0.000 which is less than 0.05. in addition to that effort expectancy and perceived risk are not significant with the p value and it is insignificant.

7. DISCUSSION

7.1 Discussion of Findings

This study evaluates the determinants affecting customer's behavioral intention to adopt Internet banking services in Sri Lanka: A case from Commercial Bank of Ceylon PLC. The main purpose of this study is to determine the key factors influencing customer's behavioral intention to adopt Internet banking in Commercial Bank of Ceylon PLC. In order to achieve the main objective of the study developed the following sub-objectives:

To determine the performance expectancy, have a significant impact on customer's behavioral intention to adopt Internet banking in Commercial Bank of Ceylon PLC.

The findings indicate that There is a significant impact from performance expectancy to customer's behavioral intention to adopt Internet banking. According to the regression analysis standard coefficient beta value is 0.301 which means when performance expectancy increases by one unit then the customer's behavioral intention can increase by 0.301 units. Also having a significance value of 0.000 which is less than 0.05 indicates to accept the hypothesis. Therefore, this study can achieve the objective of the significance impact of performance expectancy to

the customer's behavioral intention.

To determine the effort expectancy, have a significant impact on customer's behavioral intention to adopt Internet banking in Commercial Bank of Ceylon PLC.

But there is no significant impact from effort expectancy to customer's behavioral intention to adopt Internet banking. The significance value of the regression model indicates that the effort expectancy has a significant value of 0.094 which is higher than 0.05 therefore hypothesis was rejected. But prior studies state that effort expectancy has a significance impact on the customer's behavioral intention this study was done for the customers of Saudi Arabia. (Alsheikh & Bojei, 2014)

But according to certain research findings indicated that Effort expectancy has no impact on intention (Al-Emran et al., 2022) for the Sri Lankan context, this variable was rejected. So, when the country or the context changes can be reasons for rejecting the hypothesis. So, this objective cannot be achieved in this study.

To determine the facilitating conditions, have a significant impact on customer's behavioral intention to adopt Internet banking in Commercial Bank of Ceylon PLC.

Further, there is a significant impact from facilitating conditions to customer's behavioral intention to adopt Internet banking. According to the regression analysis standard coefficient beta value is 0.534 which means when facilitating conditions increase by one unit then the customer's behavioral intention can increase by

0.534 units. Also having a significance value of 0.000 which is less than 0.05 indicates to accept the hypothesis. Therefore, this study can achieve the objective of the significance impact of facilitating conditions to the customer's behavioral intention.

To determine the perceived risk, have a significant impact on customer's behavioral intention to adopt Internet banking in Commercial Bank of Ceylon PLC

There is no significant impact from perceived risk to customer's behavioral intention to adopt Internet banking. As the regression model perceived risk variable having a significance value of 0.700 which is higher than 0.05 therefore hypothesis was rejected. So, at the end of this study, we cannot achieve this objective.

However previous studies state that perceived risk has a significance impact (Akhter et al., 2022) and also some studies state that perceived risk has no significance impact on intentions (Al-Emran et al., 2022) So as a reason we can assume that context and country changes will cause to reject the variable.

7.2 Limitations

For this study, there are several restrictions that applied. The main limitation of this study can be identified as the sample size through Morgan table had decided sample size as 384 but due

to the limited time duration only able to collect 200 responses. (Akhter et al., 2022) And also, customers of all the Commercial Bank of Ceylon PLC in the Colombo district were considered as the sample for this study therefore this study does not represent all the banking institutions in Sri Lanka. Therefore, considering all the banking institutions results can be different. (Alsheikh & Bojei, 2014) Further, this study is conducted by using cross-sectional data, which recorded the insight of a certain time period and served as the foundation for this investigation. thereby, a comprehensive longitudinal study is required to evaluate the patterns of adoption of evolving Internet banking services in the banking industry. (Alnemer, 2022)

7.3 Future Study Areas

In addition, future studies might need to concentrate on certain types of Internet banking services. And also, along with more focus on private and public sector banks. In the future, researchers will also intend to conduct the study again with additional subjects. Further expand their research to include additional nations and cultures. This will demonstrate how the results of this research are generally applicable. (Alsheikh & Bojei, 2014) Only the connections between the factors affecting Internet banking and customers' behavioral intention to adopt it are examined in this study. Future research can examine whether the independent variables, such as performance expectancy and effort expectancy, facilitating conditions and perceived risk like that they have any causal correlations. (Chong et al., 2010)

8. CONCLUSION

The objective of this study is to determine the determinants affecting customer's behavioral intention to adopt Internet banking in Sri Lanka: A case from Commercial Bank of Ceylon PLC. Through these variables, performance expectancy and facilitating conditions are achieved the objective of this study while the other two variables of effort expectancy and perceived risk were rejected due to it could not achieve the objectives of the study. When the country or the context changes can be reasons for rejecting the variables. And also, Sri Lanka's still not trust the process of Internet banking because they are more attached to doing transactions by the traditional method because they have to put more effort into understanding this new method and also security is a very important factor, so they are still afraid of conducting banking method through internet so that's the reason for rejecting these two variables. And also, among these independent variables, performance expectancy is also accepted and facilitating conditions have the highest coefficient beta value which is 0.534 and among the variables it is the most essential variable. It indicates that facilitating conditions have a 53.4% impact on the customer's behavioral intention to adopt Internet banking. It implies that if facilitating conditions increase by one unit, then the customer's behavioral intention can increase by 0.534 units.

Therefore, out of the variables, in Sri Lankan customers when it comes to the Commercial Bank of Ceylon PLC's internet banking services customer's behavioral intention to adopt internet banking is guided by the facilitating conditions variable. By facilitating many services for their customers

commercial banks play a key role in Internet banking services basically they provide facilities such as ComBank Digital, ComBank Digital Business, Flash Digital Bank Account, Flash Fam Teen Digital Account, ePassbook, WhatsApp Banking, eSlip, Bank with ComBank on Viber, Paymaster.

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Probing The Intention to Invest in Cryptocurrencies Among University Students in Sri Lanka: Is Financial Risk Tolerance a Key Player?

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ABSTRACT

In recent times, cryptocurrencies have emerged as a central focus of interest for investors globally, transforming conventional views on investment. This study seeks to explore the tendencies and interests of university students in Sri Lanka towards investing in cryptocurrencies, utilizing the Theory of Planned Behavior as the foundational framework. The role of financial risk tolerance is also examined as a potential moderating variable, inspired by scholarly discussions suggesting its impact on investment intentions.

The participants for this exploration were meticulously chosen from the top-ranking state and private universities, representing a mix of undergraduate and postgraduate populations. The purposive sampling technique was deployed to select participants with the most relevance to the study. Given the reliance on a robust and extensively validated theoretical framework, the research adopts a positivism philosophy and a deductive approach, utilizing primary data garnered through structured questionnaires.

Discoveries, interpreted through structural equation modelling, disclosed a substantial positive influence of attitudes, subjective norms, and perceived behavioural control on the tendency to invest in cryptocurrency. Conversely, the anticipated moderating function of financial risk tolerance within these relationships was discovered to lack significant impact, leading to its dismissal. Given the unpredictable nature of cryptocurrencies, it appears reasonable to propose that primarily those with an increased propensity towards risk would consider investing, thereby making the moderating effect of financial risk tolerance negligible among prospective investors.

The insights derived from this research have the potential to guide practitioners and policymakers in crafting insightful strategies, especially for those with a lower propensity for financial risk, highlighting the importance of well-informed investing decisions in navigating their financial journeys.

Keywords - Attitude, Subjective Norms, Perceived Behavioral Control, Financial Risk Tolerance, Investment Intention, University Students, Sri Lanka

1. INTRODUCTION

Cryptocurrencies have been a topic of discussion in many countries worldwide, and many have taken steps to either accept or ban them. One such nation that has hesitated to adopt a position on cryptocurrencies is Sri Lanka. According to the Chainalysis Adoption Index 2021, the top three countries ranked were Asian, namely Vietnam (1st), India (2nd), and Pakistan (3rd). But Sri Lanka didn't even rank under the index (Team, 2022). This indicates that there is a reluctance in Sri Lanka to adopt cryptocurrencies. Also, the Central Bank of Sri Lanka has warned the public to refrain from activities such as mining operations, cryptocurrency exchanges, etc. through releases issued in 2018, 2021, 2022, and 2023 stating that cryptocurrency is an unregulated investment instrument and not considered as legal tender in Sri Lanka. But still, the Central Bank of Sri Lanka has refrained from stating whether cryptocurrencies are banned or accepted in Sri Lanka. However, according to the Chainalysis Adoption Index 2022, Sri Lanka was ranked 58th (Team, 2023). This leads to the conclusion that even if there was initial resistance, the number of cryptocurrency users in Sri Lanka is currently increasing. Therefore, this

depicts the performance gap of the current study. However, according to Sharmila & Sivaseelan, (2021) and Rathnayake & Wijerathna, (2021), have pointed out that there is lack of research exists regarding the adoption and investment of cryptocurrency in Sri Lanka. Therefore, this depicts the literature gap of the current study.

Also, Numerous scholars have used a range of theoretical frameworks to examine individuals' intentions pertaining to financial investments in cryptocurrencies. According to Ajzen, 2002; Qi and Ploeger, (2019), and Cheon et al., (2012) the most predominant theoretical framework used to examine human behavior is Theory of Planned Behavior. Therefore, in order to fill the identified gaps, the study will employ TPB to assess individuals' intentions toward cryptocurrencies. Also, according to Grable, (2000), Hallahan et al., (2004), and Fisher & Yao, (2017) have demonstrated that there is a significant impact of financial risk tolerance on individual intentions. Therefore, financial risk tolerance will serve as a moderator in this study.

2. LITERATURE REVIEW AND HYPOTHESES DEVELOPMENT

2.1. Brief description of TPB

The theory of planned behavior (TPB) is a widely recognized social psychological theory that asserts that human behavior is influenced by three fundamental factors: attitude, subjective norms, and perceived behavioral control. The theory was formulated by

Ajzen, (1985) as an expansion of the theory of reasoned action (TRA), which was originally proposed by Ajzen & Fishbein, (1975). The theory of planned behavior is a robust and adaptable theory that can be employed to elucidate and forecast a diverse array of human behaviors. The theory has been extensively utilized in both research and practical applications, and it remains one of the most influential theories in the field of social psychology.

2.2. Hypotheses development

2.2.1. Attitudes towards investment intention

The term "attitude towards investment intention" refers to a person's perspectives and beliefs regarding the act of investing. According to previous research, individuals assess an activity from their own subjective perspectives to determine its positive or negative nature. This perspective is shaped by personal experiences, cultural influences, societal norms, and moral principles. The importance of making decisions cannot be overstated. This facilitates the evaluation of whether a behavior is appropriate or desirable. A comprehensive analysis of the current corpus of research in social psychology, with particular emphasis on the contributions of Schaupp & Festa, (2018), reveals that attitudes play a crucial role in the intricate framework of social constructions. The hypothesis is as follows:

H1: Attitude influence Sri Lankan university student's intention to invest in cryptocurrency.

2.2.2. Subjective Norms towards Investment Intention

Subjective norms pertain to an individual's personal perspectives and beliefs concerning the prevailing norms and expectations within their particular social group. These concepts are widely acknowledged as subjective norms. Based on prior studies conducted by Mazambani & Mutambara, (2020), and Kim, (2021), it can be concluded that there is a correlation, either positive or negative, between an individual's perception of subjective standards and their likelihood to engage in a specific behavior. When individuals are subject to substantial societal influence to engage in a particular behavior, such as investing, their inclination and motivation to participate in this action are heightened. Conversely, their inclination and motivation are diminished when the impact is weak (Wang et al., 2018). The hypothesis is as follows:

H2: Subjective Norms influence Sri Lankan university student's intention to invest in cryptocurrency.

2.2.3. Perceived Behavioral Control towards Investment Intention

Based on the studies conducted by Goetze, (2011), and Yzer, (2012), the inclusion of perceived behavioral control into the theory of planned behavior is an effective method for predicting behavioral intention. As per the findings of prior studies conducted by Trafimow et al., (2002), and Kraft et al., (2005), individuals' behavioral

intentions are influenced by their perceived capability or level of control, which can have either a positive or negative impact on the desired behavior. Furthermore, it is a pivotal element in the implementation of a specific behavior as it enhances an individual's self-confidence, leading to a more impactful and assertive performance. Perceived behavioral control (PBC) holds significant importance in relation to investment objectives. The hypothesis is as follows:

H3: Perceived Behavioral Control influence Sri Lankan university student's intention to invest in cryptocurrency.

2.3. Financial risk tolerance as a moderating variable

When assessing investment choices, an individual's financial risk tolerance refers to their inclination and ability to withstand uncertainty and potential financial setbacks. The concept mentioned refers to assessing an individual's security level and willingness to tolerate financial losses in pursuit of higher returns or profits in finance (Grable, 2000). Understanding an individual's financial risk tolerance is crucial for investment decisions. There are two main categories of individuals who engage in risk-taking behavior: risk-averse and risk-seeking individuals. Risk-averse individuals prefer to actively avoid or minimize risk in decision-making scenarios. Risk-takers prefer higher levels of risk due to the potential for greater rewards (Slovic, 1986). Financial risk tolerance moderates the relationships between

attitudes, subjective norms, perceived behavior control, and investment intention.

As per the findings of prior studies conducted by Bapat, (2020) and Fisher & Yao, (2017), Individuals with higher financial risk tolerance are likely to show a stronger link between their attitudes and investment intentions. Investors with a strong risk appetite and positive attitude towards cryptocurrencies are more likely to invest in them compared to cautious investors. Additionally, the relationship between subjective norms and investment intention is more likely to be stronger among risk-averse individuals. If a risk-averse person sees their acquaintances and relatives investing in a specific asset, they may feel compelled to invest in it too, even without fully understanding the risks involved.

Furthermore, the correlation between perceived behavioral control and investment intention is more likely to be stronger among risk-averse individuals. This is explained by the tendency of risk-averse people to place a higher value on avoiding mistakes and monetary losses. If a risk-averse person believes they have the necessary knowledge and skills for successful investments, they will likely feel more confident in making wise investment decisions. To identify the moderating effect of financial risk tolerance, the following hypotheses were formulated:

H4: Financial Risk Tolerance moderates the relationship between Attitudes and Investment Intention

H5: Financial Risk Tolerance moderates the relationship between Subjective Norms and Investment Intention

H6: Financial Risk Tolerance moderates the relationship between Perceived Behavioral Control and Investment Intention

2.4. Conceptual Framework

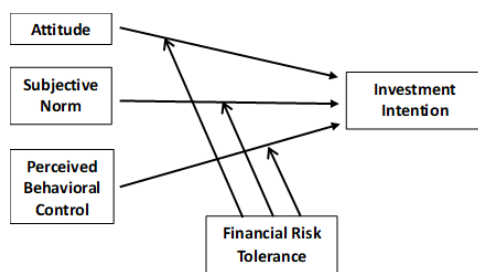


Figure 1. Conceptual Framework.

3. METHODOLOGY

3.1. Research Design

The present study will adhere to positivism research philosophy and employ deductive approach by utilizing a single technique (mono method) from quantitative research as the research choice. It further entails survey as the research strategy while using a cross sectional time horizon for data collection. All aspects of the research design were incorporated based on prior studies conducted by esteemed scholars.

3.2. Population and Study Sample

According to the findings of the studies conducted by J. Brown, T. Barrick, and R. Goodin, (2019), and H. Kim, M. Kim, and J. Lee., (2020), indicates that individuals who are enrolled in universities have a greater propensity to

invest in cryptocurrencies than individuals from other demographic groups. Therefore, university students in Sri Lanka were selected as the population for the current study.

According to the University Grants Commission of Sri Lanka, there are a total of seventeen state universities. In addition, it has recognized 31 private universities under Section 25A of the Universities Act No. 16 of 1978 (2023). The University Grants Commission of Sri Lanka employs the webometrics ranking website as a primary source for evaluating and ranking universities within the country. According to the methodology of webometrics (data as at January, 2023), the top five State and Private Universities in Sri Lanka was selected, and its undergraduate students and postgraduate students were selected as the sample for the current study. The determination of the sample size for the present investigation was determined based on prior study conducted by Hasan et al., (2022) since it is the most relevant article accessible for the current study. This implies a recommended sample size of 350 participants.

3.3. Data Collection

Based on prior studies, it has been noted that primary data has consistently been utilized as a source of data. In order to identify the most relevant participants for the study, the purposive sampling technique was employed. In order to gather data from the most pertinent participants for the study, a structured questionnaire containing a filtering question was distributed among the selected samples.

3.4. Questionnaire development

To measure each variable, queries will be adopted from prior studies, namely Mazambani & Mutambara, (2019), Lee, (2009), Chen, (2007), and Nga et al., (2010) which have proven internationally the reliability and validity of each query. The questionnaire will primarily consist of two distinct sections, namely Section A and Section B. Section A will consist of the demographic factors of the participants and the filtering question which is used to identify the most relevant participants for the study. Additionally, Section B will encompass inquiries pertaining to the variables, which will be assessed using a 5-point Likert scale ranging from 1 = strongly disagree to 5 = strongly agree.

However, the queries pertaining to the investment intention variable will be slightly altered and redirected towards the realm of cryptocurrency. Therefore, a pilot study will be conducted to determine if the modified queries meet the Cronbach alpha threshold of 0.7. As per the study conducted by Muchlis Gazali, (2019) involved a pilot study with a sample size of 45. The collected data was analyzed using SPSS software. Hence, the present study will do the same.

3.5. Data Analysis Strategies

The collected data will be examined using descriptive analysis and structural equation modeling (SEM). Descriptive analysis will be conducted using the SPSS. The SmartPLS 4 software will be

utilized to construct the structural equation modeling (SEM) using the structural model. The software employed in this study was selected based on prior investigations conducted by Rahman et al., (2019), Bapat, (2020), and Adil et al., (2022).

4. DATA ANALYSIS AND RESULTS

4.1. Data Preparation for the Analysis

Based on the findings derived from the pilot study, it can be observed that the reliability of the variables under investigation exhibits a Cronbach Alpha value exceeding 0.7, with the exception of the Perceived Behavioral Control variable. It has been observed that the removal of a specific question pertaining to the PBC variable results in exceeding the threshold of 0.7. Therefore, it has been determined that question number 01 pertaining to the PBC variable (Q01 - I will be able to use cryptocurrency) will be excluded from the analysis. Subsequently, the meticulously designed structured questionnaire was disseminated among the selected sample.

Based on the feedback received from the sample size of 350 individuals, it has been observed that a total of 53 individuals, accounting for 15.1% of the entire population, have been excluded from the dataset due to the application of the filtering question. A total of 297 responses, accounting for 84.9% of the entire population, have been utilized for the purpose of analysis. Also, upon comprehensive examination and

analysis of the data set, it has been determined that no missing values or errors were detected in the collected data. Therefore, the dataset will be further processed for data analysis purposes.

4.2. Demographic analysis

Based on the descriptive analysis of 297 responses using SPSS software, the gender distribution in this study shows that male respondents make up the majority at 54.88%, while female respondents make up the remaining portion. The age group of 20 to 29 years comprises the majority of the population, accounting for 82.15%. This proportion is higher than that of other age groups, suggesting a notable concentration of individuals within this age segment. The majority of individuals, approximately 82.15% of the total, have an undergraduate education level. While the remaining portion is represented by the postgraduate education level. Additionally, the distribution of university types is fairly even. Private university students make up a slight majority of 50.17% compared to state university students. Among the top 5 state universities, the University of Colombo has the highest student proportion at 37.16% compared to other state universities. Also, other state universities have made significant contributions to the present study. Among the top 5 private universities, NSBM Green University boasts the highest student proportion at 36.24%, surpassing other private institutions. Additionally, other private universities have made substantial contributions to the present study as well.

4.3. Measurement Model Evaluation

According to Table 4.3 (refer appendix), it is clear that all variables' indicators have effectively demonstrated the required reliability. This is evident from the loading column, where all values exceed the 0.7 threshold, indicating that the variables' indicators are highly reliable. In addition, it is essential to observe that both Cronbach's alpha and Composite reliability indicate that the variables under consideration have met the required reliability threshold. The reliability measures, surpassing a threshold of 0.7, indicate the internal consistency and reliability of the variables. Furthermore, it is essential to note that the variables have met the Acceptable Variance Extracted (AVE) criterion by surpassing the 0.5 threshold. Based on the data in Table 4.3, it can be concluded that all variables are reliable and valid.

4.4. Discriminant Validity

The Fornell-Larcker matrix assesses discriminant validity by showing the relationships between model variables. The correlation between each model construct is compared to the square root of its average variance extracted (AVE). A variable has sufficient discriminant validity if its square root of the average variance extracted (AVE) is higher than the correlations with other variables in the model. Based on Table 4.4 (refer appendix), the square root of the average variance extracted (AVE) for each variable (bolded) is higher than the correlations observed between the other variables. In conclusion, all variables demonstrate sufficient discriminant validity.

4.5. Structured Model Evaluation

According to Sobaih & Elshaer, (2023), Gotz et al., (2009), and Pratama et al., (2023), the adjusted R² is a measure of how well a structural equation model (SEM) explains the variance in the endogenous latent variables. It is calculated by taking the squared correlation between the predicted and actual values of the endogenous latent variables, and adjusted R² is just one method of assessing the model fit.

According to the discussions of previous scholars, if the adjusted R² is 0.70 or higher, the model is regarded as substantial and accepted; if the adjusted R² is between 0.50 and 0.70, the model is regarded as moderate; and the acceptance of the model will depend on a variety of factors, such as whether the variables are statistically significant, whether the outcomes of the variables are accurate, and whether there are no outliers in the data set, etc. If the model corresponds to the factors, it will be accepted. Finally, if the adjusted R² is less than 0.50, the model is deemed to be inadequate. There are a number of possible reasons why an adjusted R-squared value may be less than 0.5. One possibility is that the model is missing important variables that explain some of the variance in the dependent variable. Another possibility is that the model includes irrelevant variables that are adding noise to the model. Finally, it is also possible that the relationships between the variables are simply not very strong.

According to Figure 02 (refer appendix), the R² is 0.517, or 51.7%, but as stated previously, the adjusted R² is the optimal selection for measuring model

fit. Therefore, the adjusted R² will be utilized, and the adjusted R² is 0.506 or 50.6%, representing a moderate model (0.50–0.70), but the model is still acceptable because the variables are statistically significant, the outcomes of the variables are accurate, and there are no outliers in the data set.

4.6. Hypotheses Testing

Based on the findings presented in Table 4.6.1 (refer appendix), it is evident that there exists a statistically significant positive influence on the relationship between Attitudes (AT) towards Investment Intention (II). This conclusion is supported by the T value exceeding 1.96 and the P value being less than 0.05. Hence, the H1 hypothesis will be deemed statistically significant and accepted. Furthermore, a noteworthy positive impact can be observed in the association between Subjective Norms (SN) and Investment Intention (II), as indicated by the T value exceeding 1.96 and the P value being less than 0.05. Hence, the H2 hypothesis will hold significant value and be accepted. Additionally, a notable and positive impact can be observed in the relationship between Perceived Behavioral Control (PBC) and Investment Intention (II). This is evidenced by the T value exceeding 1.96 and the P value being less than 0.05. Consequently, the H3 hypothesis will be deemed statistically significant and accepted. In summary, it can be concluded that all three hypotheses formulated in accordance with the theory of planned behavior have yielded significant results.

According to the findings presented in Table 4.6.2 (refer appendix), it can be concluded that Financial Risk Tolerance (FRT) does not moderate the relationship between Attitudes (AT) and Investment Intention (II). This conclusion is supported by the statistical analysis, which reveals that T is less than 1.96 and P is greater than 0.05. Consequently, the H4 hypothesis will be deemed insignificant and rejected. In addition, it can be concluded that Financial Risk Tolerance (FRT) does not influence the relationship between Subjective Norms (SN) and Investment Intention (II), as the T value is less than 1.96 and the P value is greater than 0.05. In consequence, the H5 hypothesis will be deemed insignificant and rejected. Furthermore, it can be concluded that Financial Risk Tolerance (FRT) does not moderate the relationship between Perceived Behavioral Control (PBC) and Investment Intention (II). This conclusion is supported by the statistical analysis, which reveals that T is less than 1.96 and P is greater than 0.05. Consequently, the H6 hypothesis will be deemed insignificant and rejected. In conclusion, it is evident that none of the three hypotheses regarding the moderating effect of financial risk tolerance produced statistically significant results. This suggests that the relationships between attitudes, subjective norms, and perceived behavioral control in relation to investment intention are not moderated by or dependent on an individual's financial risk tolerance.

5. DISCUSSION AND CONCLUSION

5.1. Interpretation of Findings

Based on the findings of the study, it was determined that three out of the six hypotheses (H1, H2 and H3) are statistically significant, while the remaining hypotheses (H4, H5 and H6) are statistically insignificant. The study formulated significant hypotheses regarding the relationships between variables based on the theory of planned behavior and investment intention. According to several studies conducted by (Cuong & Jian, 2014), (Raut, 2020) and (Hong et al., 2004), have utilized the theory of planned behavior to investigate the behavioral intention of individuals towards various forms of investment. According to the studies conducted by the scholars mentioned, there is a positive significant impact on the relationships between attitudes, subjective norms, and perceived behavioral control towards investment intention. Also, the current study's findings demonstrate a positive significant impact on the relationships between attitudes, subjective norms, and perceived behavioral control towards investment intention. Therefore, the proposed research questions and objectives pertaining to the relationships between attitudes, subjective norms, and perceived behavioral control towards investment intention have been addressed and successfully accomplished.

According to numerous studies conducted by Grable, (2000), Slovic, (1986), Hallahan et al., (2004) and

Fisher & Yao, (2017), have examined that there is an impact of financial risk tolerance on the relationship between two different variables other than the variables mentioned in the current study and also it can be concluded that there was a positive moderating effect on those relationships as well. As per the current study, it indicates that financial risk tolerance does not have significantly influence on the relationships between attitudes, subjective norms, and perceived behavioral control towards investment intention. Since, the hypotheses on the moderating effect were statistically insignificant, H4, H5, and H6 were rejected. Several factors may contribute to the lack of significance of the hypotheses in this study. The factors include the application of a moderating effect on the theory of planned behavior and the utilization of a small sample size, and due to the unpredictable nature of cryptocurrencies, it appears reasonable to propose that primarily those with an increased propensity towards risk would consider investing, thereby making the moderating effect of financial risk tolerance negligible among prospective investors. Therefore, the research questions and objectives were successfully addressed and achieved by examining the influence of the moderator, in line with the stated questions and objectives.

5.2. Implications of Findings

As per the findings of the study, it can be observed that there is a significant positive influence of the variables'

hypotheses within the framework of the theory of planned behavior on investment intention, it suggests that practitioners should focus on developing strategies that help investors to develop positive attitudes towards investing, feel supported by their social networks, and believe that they are capable of investing successfully.

Furthermore, the establishment of laws and regulations that foster equitable and morally upright investing practices, together with the provision of tax incentives and other financial inducements, may aid policymakers in building trust within the financial system and stimulating people to engage in investment activities with a sense of assurance. Consequently, the results of the present research will provide valuable insights for practitioners and policymakers in addressing prevailing societal deficiencies.

5.3. Limitations and direction for future research

The study focused solely on the top five state and private university students in Sri Lanka. The investigation focused primarily on university students' intentions, with the theory of planned behavior being employed to investigate these intentions. The sample size for data collection was limited to 350 individuals due to time constraints. These limitations can provide valuable recommendations for future research. Future research should explore additional variables that may impact individual intentions, beyond those outlined in the theory of planned behavior. Expanding the scope of the

studied population could enhance understanding of the phenomenon. Furthermore, utilizing a larger sample size and diverse data collection methods could enhance the reliability and validity of the findings. By implementing these recommendations, future research can enhance knowledge in this field.

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Investigation of Accounting Undergraduates' Satisfaction with The Provision of ICT by the University

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ABSTRACT

This study investigates the satisfaction of accounting undergraduates with the provision of ICT by the university. In an era where technology serves as a fundamental driver of global business evolution, ICT skills have become essential for accounting undergraduates. Universities play a crucial role in nurturing these skills among their students. This research aims to identify the university's role in developing ICT proficiency by assessing students' satisfaction with aspects of ICT provision, including accessibility, reliability, functionality, and assistance. The study adheres to the positivism research philosophy and employs a quantitative methodology, collecting data through surveys. A total of 162 accounting and finance undergraduates participated in the research through the convenience sampling method. Data analysis was conducted using SPSS, which revealed a significant relationship between the dependent variable, student satisfaction, and the

independent variables: ICT facilities, academic staff, and degree content. This analysis underscores the university's contribution to enhancing ICT competency among accounting undergraduates.

Keywords: Accounting & Finance undergraduates, ICT competency, ICT facilities, Student satisfaction, University's role

1. INTRODUCTION

Accounting has become very efficient through digitalization. Today's technology has made it possible to perform large time-consuming calculations in a very small amount of time. Financial transaction-related data is recorded, stored, calculated, and presented using various accounting software in the industry (Carvalho & Almeida, 2022b). With this accounting software, all accounting activities such as financial data assessment, book-keeping, financial statement preparation

and audited accounting preparation are done in the modern world with the help of technology (Bygren, 2016). Today, all accounting and financial- related activities are done through Enterprise resource planning system (Klaus et al., 2000).

Hence, if all accounting tasks within the industry are conducted through technology, it is essential for employees entering the industry to have a comprehension of technology-related accounting. In order to excel in accounting roles that rely on this technology, possessing ICT skills is essential for survival within the industry. It is evident that only possessing a basic understanding is insufficient for accounting undergraduates entering the industry, and it falls short of ensuring long-term stability (Bygren, 2016).

According to previous explanations, it is clear that the reason for this increase in the need for technical skills is the industry shifted from manual to automated accounting systems (Awang et al., 2022). Through that, the customers (Businesses) expect the accountants to be more efficient. Automation and digitalization of the organization's internal production processes and operations, as a result of technology, are essential variables in dealing with a wide variety of transformations (Zhang et al., 2020) (Kumar & Gundumalla, n.d.). With the present technological transition, future accountants must prepare themselves

with the most up-to-date technological knowledge and skills (Rhodes, n.d.).

Previous research identify that the ICT competence expected from accounting graduates is increasing due to the ever-changing technology environment (Tanaka & Sithole, 2015a). Therefore, there are questions about the knowledge of undergraduates in this technologically changing accounting process. Previous researchers have revealed that a significant number of graduates and postgraduates entering their initial jobs lack essential ICT skills (Daff, 2021).

In previous research identified in their analysis, most important technological skills, in order of importance are knowledge of accounting packages, spreadsheet packages, word processing packages, communications software, electronic commerce (Tanaka & Sithole, 2015b). Pan & Seow, 2016 described that advanced IT knowledge and skills such as IT forensics, IT audit, and data analytics are lacking among accounting professionals. (Hewagamage & Hewagamage, 2015) indicate that the majority of students have basic knowledge about ICT (around 50%) but you can hardly find people who have very good knowledge about PC applications and the Internet (over 70%). On the other hand, they have some capabilities with respect to word processing (40%), but they have very poor capabilities with respect to data management using spreadsheets (20%). With those findings, it is clear that the industry-expected ICT skills of

undergraduate students in Sri Lanka are low. Although, prior researchers have identified that accounting education must be reorganized and new content introduced in order to generate graduates capable of meeting the needs of the current world (II, 2022). A skills development gap has been identified between employers' expectations and new accounting graduates (EL-dalahmeh, 2017b).

The International Federation of Accountants (IFAC) released the International Inculcation Guidelines, which incorporate ICT knowledge and competency requirements for professional accountants. As today's employers seek accounting graduates with well-developed ICT skills, university educators must ensure that learning programs are designed to ensure that graduates have the necessary skills (Daff, 2021b). The question that arises is how to help academics facilitate accounting learners to meet a range of skill demands when an understanding of the broad and complex skill demands of employers is essential in recruitment and in their advanced accounting careers (EL-dalahmeh, 2017b).

Though education is widely acknowledged around the world, many poor countries, like Sri Lanka, have been unable to meet the facilities required of educational institutions, particularly at the higher level (Weerasinghe & Fernando, 2018). Prior researchers have identified that there is a gap between the university-provided

knowledge and the expected knowledge of ICT by the industry is different (Pan & Seow, 2016). Daff, 2021a with the future research ideas of investigating recent accounting graduates about their perceptions of the ICT competencies they had obtained by the time they graduated. In this context, rather than stimulating all the infrastructure, the university should invest in facilities that promote student satisfaction (Weerasinghe & Fernando, 2018). Students are one of the most important strategic entities on which a university depends. In a competitive environment, satisfying them is critical in order to attract additional students for future programmes.

Research on 'Student Satisfaction with Information and Communication Technology Facilities Provided by the University' is remarkably rare on a global scale and there is almost no research in this area in Sri Lanka. This research gap underscores the need for studies in this area. Consequently, this research aims to address this gap by providing valuable insights, serving as a solution to this knowledge shortage. Ultimately, this research benefits both universities and students by offering valuable insights and ideas. The university has a role in developing ICT skills among accounting undergraduates. So, it should research whether the university is performing its role properly. Undergraduates experience the facilities of the university, and through them, can research whether the necessary ICT

infrastructures are provided by the university. This research aims to Investigate Accounting undergraduates' satisfaction with the provision of ICT by the university. This research identify the following research questions.

1. Do accounting undergraduates satisfy with the ICT facilities provide by the university for the development of ICT competencies?
2. Do accounting undergraduates satisfy with the ICT competency of academic staff for the development of ICT competencies?
3. Do accounting undergraduates satisfy with the ICT related degree content for the development of ICT competencies?

2. LITERATURE REVIEW

2.1 Accounting Transformation with Digitalization

Accounting evolution stages have been expanded to include: 1) traditional manual accounting; 2) mechanized accounting; 3) automated accounting; 4) robotic accounting; and 5) artificial intelligence-assisted accounting (Awang et al., 2022). Accounting, as a discipline concerned with the disclosure of, or assurance on correct financial information, was undoubtedly influenced by accounting operations' increasing reliance on technologies in commercial transactions (Pan & Seow, 2016) Many technological advancements in the accounting profession have resulted in digital accounting transaction media. As a result, the way businesses, society, and culture work has undergone a digital

revolution. It's because of the quick advancement and development of information technology (Carnegie et al., 2021). Since collaboration and communication within teams are essential in a public accounting firm where audit engagements are carried out by teams of professionals at various ranks, these accounting firms also invest in groupware technology to improve teamwork and productivity (Pan & Seow, 2016).

In joint report of ACCA & CIMA, (2013), the Association of Chartered Certified Accountants (ACCA) and the Institute of Management Accountants (IMA) predicted that the accounting profession would be transformed into some kind of professional hybrid in the future due to the interaction of finance, technology, and information skills and competencies (The Knowledge and Skills Profile of Accountant 4.0, 2020).

When an accounting firm is not fully digitalized, they are likely to employ offline software that stores data in several offline systems, segregated into different software programs, as well as storage (II, 2022). The ongoing digitalization of the accounting business is the second major technical transition. This move has been facilitated by digital resources such as software programs, internet tools, cloud solutions, webinars, digital data storage, and etc (Bygren, 2016). Gould (2017) outlined four technological factors that are expected to present new difficulties to accountants: manual bookkeeping to

artificial intelligence, cloud-based accounting, big data accounting, and processing and integrating non-traditional financial information (Daff, 2021a). Big data, Increased Computing Power, Artificial Intelligent (AI), Intelligence of Things, Autonomous Robots identify as the 06 biggest technology trends in accounting industry (Marr, 2020).

Online accounting tools that are digitalized and computerized will make the business more automated; more accurate in details and numbers; easier access to data; more reliable data due to automation; more secure storage through cloud storage; more cost and time efficient; easier oversight of the data; and the company's scalability to grow is less complicated when it comes to documentation (Bygren, 2016).

2.2 Establishing importance of ICT competencies in the field of accounting

The International Accounting Education Standards Board (IAESB, 2018) reached comparable findings and identified three key areas of accounting sector challenges: cybersecurity, outmoded accounting systems, and the changing role of the accountant, as well as career mobility. Even though professional accountants and auditors are theoretically well versed about the benefits and risks of ICT, (Rîndașu, 2017) identified a fourth challenge: accountants lack appropriate ICT proficiency for digital accounting. As a result of these four issues, today's

companies are searching for accounting graduates with strong ICT skills, and university educators must guarantee that learning programs are targeted to ensure graduates have the necessary skills (Daff, 2021a).

The AICPA (American Institute of Certified Public Accountants) committee proposed five general information technology information requirements categories. These are: Information Technology Concepts for Business system, Internal Control in Computer Based Business system, Development Standards and Practices for Business system, Management of IT Adoption, Implementation, and Use and Evaluation of Computer Base Business System (EL-dalahmeh, 2017a).

The IFAC released the International Inculcation Guidelines, which incorporate ICT knowledge and competency requirements for professional accountants (Amarathunga et al., n.d.-a). Employers ranked ICT competency as the third most critical talent after analytic and creative thinking in a study on the influence of outsourcing on new employees at public accounting firms (Daff, 2021a).

2.3 Industry expectation about ICT Competencies from accounting undergraduates

Accounting undergraduates are the ones who freshly enter the accounting industry. The accounting employers rated the demand for knowledge of information and communication higher

than graduates (Daff, 2021a). The majority of undergraduates in Sri Lanka will work in the private sector, where their business processes are heavily reliant on ICT-based infrastructure (Hewagamage & Hewagamage, 2015). So, in Sri Lankan context also ICT skills is mandatory skills for undergraduates who are seeking job in the industry.

The recently issued modifications to the IAESB's International Education Standard 2 (IES 2) by the IAESB (2019) (2019 Handbook of International Education Standards, n.d.) highlight the precise ICT technical proficiency required of students completing higher education before entering the accounting profession (Daff, 2021).

- a) Explains the impact of ICT developments on an organization's environment and business model.
- b) Explains how ICT supports data analysis and decision making.
- c) Explains how ICT supports the identification, reporting, and management of risk in an organization.
- d) Uses ICT to analyze data and information.
- e) Uses ICT to enhance the efficiency and effectiveness of communication.
- f) Applies ICT to enhance the efficiency and effectiveness of an organization's systems.
- g) Analyses the adequacy of ICT processes and controls.
- h) Identifies improvements to ICT processes and controls.

Chen and Banatte (2009) surveyed recruiters on the ICT capabilities they expected from accounting graduates. Required of expert level in use of these software: financial spreadsheets, business graphics, word processing, presentation, audit software, tax preparation software, communication software (e-mail, file transfer, web browser) (Chen & Banatte, 2009). Dzurainin et al. (2018) polled accounting experts to determine which accounting software should be taught to students in terms of data analytics. EL-dalahmeh, 2017 review that accounting students believe that their ability to pursue a career as an accounting professional is more dependent on their technical skills.

The AICPA's Core Competency Framework for Entry into the Accounting Profession emphasizes the importance of technological knowledge for accountants. The framework notes that accountants must be able to access an electronic database, evaluate the risk of technology and automated business processes, use technology to evaluate and control risk, document work performed, and create appropriate models and simulations using electronic spreadsheets (EL-dalahmeh, 2017). Undergraduate students at a university become knowledgeable workers of society. They need to improve their knowledge, skills and attitudes using modern ICT technology to perform their job effectively. If graduates fail to acquire this level of competence in ICT, it becomes a major factor in the unemployment of graduates regardless

of academic qualifications (Hewagamage & Hewagamage, 2015). The analysis of the literature demonstrates that newly graduated accountants are working in environments where technology is constantly evolving. There is no doubt that ICT competency is necessary for accounting graduates to pursue successful jobs.

2.4 The Role of University developing ICT Competencies

Many studies are being conducted in both developed and developing nations to improve information literacy. So, the university has a responsibility to develop ICT competencies among accounting undergraduates. The existence of ICT has a significant impact on the quality of education in today's society (Pan & Seow, 2016).

Due to increased IT investment among accounting functions, the demand for advanced IT knowledge and skills for accounting professionals has increased. Pan and Seow (2016) commented that a 'renewed investment in education research on the IS preparedness of accounting students is necessary.' In response to such exceptional transformation in the corporate environment, (Sutrisno et al., 2021) emphasize the critical role of universities in spearheading this change, arguing that 'universities should ensure that all graduates are digitally competent.'

The AICPA's (American Institute of Certified Public Accountants)

Technology Curriculum and Competency Model Task Force identified technological change as one of the most important challenges facing the accounting profession. They identified three mains, 1. Organizational operations are being influenced by information technologies. 2 Information technology is altering the nature and economics of accounting. 3 Information technology is altering the competitive climate in which accountants work. As a result of these changes, the AICPA committee found that academic preparation must now incorporate growing levels of information technology instruction. They also stated that all professional accountants must acquire a core set of IT skills (EL-dalahmeh, 2017). However, accounting education in Jordan is being challenged by a significant change in the business environment in which professional accountants operate. The impact of information technology on the accountant profession is the key factor affecting the Jordanian business environment since technical skills are required for new accounting graduates to enter the labour market; they must upgrade their capabilities in this quickly changing environment (EL-dalahmeh, 2017a) and identified that more than half of the employers thought universities were doing an adequate job of educating students for the workforce. Accounting degree programs, according to AACSB, must integrate existing and new accounting and business information technology throughout the academic courses (Pan & Seow, 2016)

Accounting educators must ensure that accounting graduates have a solid foundation of accounting knowledge and can build on it while using ICT technologies. ICT must be included throughout the curriculum to guarantee that accounting graduates have well-developed ICT competencies (Daff, 2021a). In order to increase ICT skills among undergraduates, the knowledge, qualifications, and attitudes of higher education teachers should also be taken into consideration. Also organizational, institutional and administrative factors; it is also necessary to have adequate equipment in universities for teachers and students (Youssef et al., 2022b). Several studies have investigated the relationship between accounting practice and education, concluded that university accounting education fails to provide students with the necessary information and abilities to prepare them for their future employment (Kotb et al., 2019). Therefore, the university should pay more attention to ICT competency development of undergraduate students. Because the industry currently expects a very high level of ICT skills from accounting employees.

2.4.1 ICT Facilities

Sutrisno et al. (2021) identified that, there are numerous ICT facilities and applications that can be used in a higher education institution, including: computer and Internet network availability, website, social media, student portals, email, mobile

applications, blogs, repositories, digital library, and E-learning. It is possible to achieve the goal of creating a digital campus through the availability of computers and internet networks. Having enough computer laboratory facilities for students and providing internet facilities through the campus, will improve student satisfaction. In accordance with this, the Internet network must be accessible throughout the university. The presence of a Wireless-Fidelity (Wi-Fi) network with sufficient connectivity contributes to student satisfaction at an institution (Kotb et al., 2019b).

The lack of resources to meet the needs of professional accounting firms is a grant reason affecting the development of ICT Competencies (Weerasinghe & Fernando, 2018). Even though modern education has been blending with advanced technology for many years, undergraduates at rural universities were experiencing a slew of ICT-related issues due to insufficient computer facilities (Weerasinghe & Fernando, 2018). To successfully integrate ICT facilities, linked institutions must discipline multiple user groups or the entire campus community (Sutrisno et al., 2021). Educational institutions are increasingly focusing on ICT tools that can be utilized to provide students' knowledge and skills (Wu et al., 2017).

High-quality and standard facilities are regarded to have an important impact on students' choice of an academic institution (Weerasinghe & Fernando,

2018). As a result, university facilities are regarded as one of the most important strategic sources for establishing a competitive edge in the higher education market. Then we can see that there is a relationship between student satisfaction and the ICT facilities toward the provision of ICT by the university.

2.4.2 Academic Staff

Academic staff have a critical influence on accounting undergraduates' satisfaction with the provision of ICT by the university. The lecturer should arrange the course materials, provide feedback on accomplishments, motivate students to digest and reflect on the content, and assist them in engaging in learning activities (Long et al., 2014). Academic staff should ensure that essential ICT components are included in the accounting curriculum. They should incorporate ICT-related themes and tools into their courses, giving students hands-on experience with accounting software, data analysis tools, and other relevant applications. Teachers' digital literacy and involvement in technology have become essential for students to get the full benefits of technology-based learning (Amarathunga et al., n.d.-a). Lecturers can only pass on skills and ideas to their learners if they are experts in their field. The quality of lecturers' instructional service delivery in universities cannot be separated from their use of ICT (Akuegwu et al., 2011). (Hewagamage & Hewagamage, 2015) findings identified that lecturer

(teachers) skills will affect increasing ICT skills among undergraduates. Weerasinghe and Fernando (2018) discovered that facilities associated with key university activities, such as teaching and research, have a stronger influence on both student satisfaction and retention. Students' satisfaction will be influenced by the teaching quality and the efficacy of lecturers in engaging with them. Because of the outstanding professors, satisfied students are likely to attain good academic success. As a result, a high-performing lecturer will generate a high-quality student if they give effective instruction (Long et al., 2014). So it is clear that Academic staff will affect to the satisfaction of undergraduate toward the provision of ICT by university.

2.4.3 Degree Content

The accounting sector has an increased need for accounting information systems (AIS) specialists who can handle the demanding ICT needs of accounting services and operations. The current AIS curriculum needs to be assessed to see if it is sufficient to provide accounting students with modern ICT knowledge and capabilities. (Pan & Seow, 2016) indicate that, number of accounting associations have also made comments about how crucial it is for accounting graduates to further develop their ICT abilities. For example, the Pathways Commission report issued by the American Accounting Association (2012) suggests that one active force is to transform learning experiences to

reflect current and emerging technologies in business. Daff (2021) identified that, indeed it appears that businesses expect accounting graduates to have more than intermediate Excel abilities. There is an increasing demand for data visualization knowledge and skills using products such as Excel's Power BI. Employers admire graduates' abilities to analyze data logically and summarize it into clear, valuable information. Employers still emphasize the importance of graduates being familiar with accounting software. In addition to having moderate proficiency in using such software, it is beneficial for graduates to grasp the process of data input in an accounting system. Having a strong understanding of accounting basics is essential for graduates to identify and rectify any errors in the generated output. Employers still emphasize the importance of graduates being familiar with accounting software.

The fundamental curriculum of most business universities includes basic computer education and MIS courses. These include fundamental to intermediate level explanation in office productivity software (spreadsheet, database, word processing, email, and slide presentation) as well as system foundation knowledge. Today, that knowledge alone is not enough. An integrated level of knowledge is expected in the model of the accounting information system (Kearns, 2014; Pan & Seow, 2016). Pan and Seow (2016) recommend offering a full- fledged

accounting information systems curriculum to accounting students at the elementary, intermediate, and advanced levels. A course at the elementary level can focus on offering a complete view of information systems and related accounting processes in organizations. It can give students a wide understanding of the principles of accounting data management, information integration, and business process modelling. At the intermediate level, a course may be offered to examine how organizations implement enterprise systems to link various business functional systems into a tightly integrated single system with shared data, as well as how accountants can use enterprise resource planning systems to organize and present updated financial data. At the advanced level, after students have gained a general understanding of auditing in their second or third year, a course may be offered for accounting students to better comprehend computer frauds and fraud detection methods.

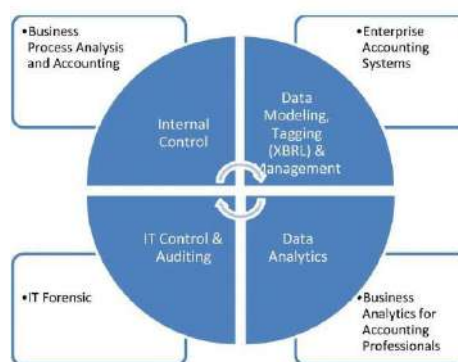


Figure 1: Accounting information system model curricula

2.5 Theoretical Background

2.5.1 *Capability Approach*

Capability approach primarily focuses on individuals' actual capabilities and opportunities, considering the resources they can access (Alkire, 2005). It emphasizes what people can effectively achieve and the freedom they have to do and become what they desire. According to the research implemented by Chigona and Chigona, 2010 they used the theory of capability approach to discuss the ICT for teaching and learning. The approach aims to explore how commodities or resources can be transformed into valuable and meaningful outcomes in people's lives. These outcomes are represented as "functioning" or "capability sets" – essentially, the things a person can do or be. From this range of functions, individuals can then select the specific capabilities or functioning they aspire to achieve (Chigona & Chigona, 2010). This approach focuses on understanding how resources and opportunity may lead to meaningful improvements in people's lives. It considers what individuals can actually do or achieve with the available resources, and from these alternatives, individuals can make choices depending on their preferences and goals. Consider how access to education, healthcare, and economic resources can contribute to greater capacities and well-being for individuals in society. This approach understands the relationship between commodities (resources), functioning and capabilities. The generation of capabilities from resources is impacted

by certain conversational factors, which are: Personal Factors, Social Factors and Environmental Factors (Zheng, 2009).

In this research we focus on accounting undergraduates' satisfaction with the provision of ICT by the university. Accounting undergraduates have the resources of Information communication technology from the university. The question is whether the university provides sufficient ICT resources for undergraduate students to enhance their ICT skills. To elaborate, it seeks to determine if the university adequately offers the necessary technological facilities and support to help undergraduates develop and improve their abilities in information and communication technology (ICT).

When we consider the relationship between factors and variables selected in the research. Personal factors will affect capability with ICT. When it is capable undergraduates will be satisfied. As per the finding of Chigona & Chigona, 2010 explains that Educators were still not proficient or confident in their use of technology. With that Academic staff, variable have a relationship to capable of student's satisfaction. And they describe the social factors that affect the capability of ICT. Not the subjects of the content support to increase the ICT abilities. Then we can clarify the social factors of ICT, the Content of the degree, and policies taken by universities. According to Chigona and Chigona

(2010), students face barriers since the university gives appropriate resources and facilities to students but does not provide them with timely access to such resources. We can explain that content variables will affect the student's capability of satisfying ICT provision by the university. The last factor described in this approach is environmental factors that affect capability. Giving enough ICT facilities is discussed in the environmental factor. This factor has the relationship to students' satisfaction with provision of ICT by the university roll. Therefore, we can apply this theory of accounting undergraduates' satisfaction with the provision of ICT by the university.

2.5.2 Customer Satisfaction Theory

Customer satisfaction is characterized as a reaction to a process of evaluation. Emotional and affective responses also influence customer satisfaction. Customer satisfaction is the basis for the concept of student satisfaction (Abdullah et al., n.d.). Stone and Thomson (1987) proposed that for educational purposes, the concept and components of customer satisfaction need to be adapted. This adaptation should encompass constitutional amendments, administrative policies, educational goals, and educational processes within its scope. Customer satisfaction is frequently associated with elements such as the quality of service provided and the facilities offered by a business or organization (Haque et al., 2011b).

When we apply to our case, students' satisfaction with the ICT provision by the university will affect the university facilities, quality service from the academic staff and degree content. So, in this research, we can apply customer satisfaction theory.

3. METHODOLOGY

The research was done through positivism approach with deductive method base on the theory. Satisfaction mean we research their experience and positivism philosophy used to collect and analysis data of satisfactions (Gale & Beeftink, 2014). This research conceptual diagram will be design according to capability approach and customer satisfaction theory. With that this research start with a theory so this research will be done according to the deductive approach. Both quantitative and qualitative methods (mix method) used to identify satisfaction with ICT provided by the university (Kotb et al., 2019b). To identify the students' satisfaction with the provision of ICT by the universities research used quantitative method used to collect the data (Ahmad et al., 2022) (Long et al., 2014) (Weerasinghe & Fernando, 2018).

Using online survey with both open-ended and close-ended questions. This study is cross-sectional study. The unit of analysis is individual. The population of this study is Accounting & Finance undergraduates in Sri Lanaka. With the time limitation convenience sampling

techniques is used with that select four university undergraduates that offer Accounting & Finance as study sample. 162 participants participated in this questionnaire from NSBM Green University, SLTC Research University, University of Sri Jayewardenepura and Rajarata University. According to the prior researchers meet objectives and questions related to the undergraduate's satisfaction used survey method (Weerasinghe & Fernando, 2018), (Long et al., 2014), (Ahmad et al., 2022), (Long et al., 2014) to collect data from the sample.

Online survey made using google form. Online survey conducted with two main parts, in the first part collects the data related to the demographic factors like Gender, Age, Employment status, university type and degree specialization. In these next sessions (3-5 Sessions) consist with statement related to the independent variables. 5-points Likert Scale (Strongly Disagree, Disagree, Neutral, Agree, Strongly Agree) used to take the respondent to this session. And the last session (6 Session) dependent variable related statement will measure with 5- points Likert Scale (Strongly Disagree, Disagree, Neutral, Agree, Strongly Agree). To identify the relationship between the dependent and independent variable Linear Regression is used in this research to identify the student satisfaction toward ICT providing by the university. SPSS software used for data analysis.

With the understanding the identified research gap, develop the conceptual framework below to identify the relationship between independent and dependent variable. To develop conceptual framework reference to the capability approach (Chigona & Chigona, 2010) and customer satisfaction theory (Haque et al., 2011b), (Abdullah et al., n.d.) is referred. Below is the conceptual framework for this research.

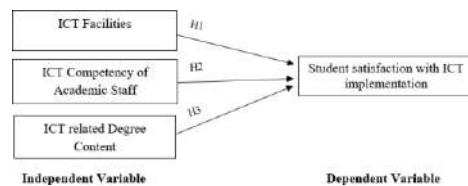


Figure 2: Conceptual Diagram

The researcher developed the null and alternative hypothesis for each independent variable based on the conceptual framework.

4. DATA ANALYSIS AND RESULTS

4.1 Descriptive Statistics of Demographic

This section analyses the demographic data by frequency analysis. With that can analysis how the responses frequency is distributed. Below table shows the frequency of the demographic data gathered.

Demographic		Frequency	Percent
Gender	Male	68	42%
	Female	94	58%
Age	18-21 years	18	11%
	22-25 years	128	79%
	26-29 years	16	10%
University Type	Private University	84	52%
	Government University	78	48%
Degree Specialisation	Accounting	34	21%
	Finance	13	8%
	Accounting & Finance	115	71%
Employment Status	Employed	68	42%
	Unemployed	94	58%

Table 1: Frequency Analysis of Demographic data

4.2 Reliability Analysis

Independent Variable	Cronbach's Alpha
ICT Facilities (IF)	0.862
Academic Staff (AS)	0.945
Degree Content (DC)	0.933

Table 2: Reliability Scores

With reference to the Cronbach's alpha value derived from SPSS, the above table shows the Cronbach's Alpha value for each independent variable separately. The reliable value for a scale is 0.7 as mentioned above. With that can analyse that all the independent variables of this research are reliable. The scale of all the independent variables are highly reliable because all the independent variables' Cronbach's Alpha value is higher than 0.7.

4.3 Background of Variables

4.3.1 ICT Facilities (IF)

With reference to the frequency of ICT facility- related questions derived from the SPSS. The most accurate answer for IF1, IF2, IF3 and IF4, most of the participants (undergraduates) agree with

the satisfaction of ICT facilities-related questions asked in the survey. The participants are satisfied with computer lab facilities, accounting software license packages, digital learning materials and internet facilities provided by the university. However, the participants were neutral about the financial support that the university provides to purchase electronic devices and accessories. Overall satisfaction with ICT Facilities provided by the university is high. With that universities provide sufficient ICT facilities to accounting undergraduates. And below graph illustrates the frequency of ICT facilities.

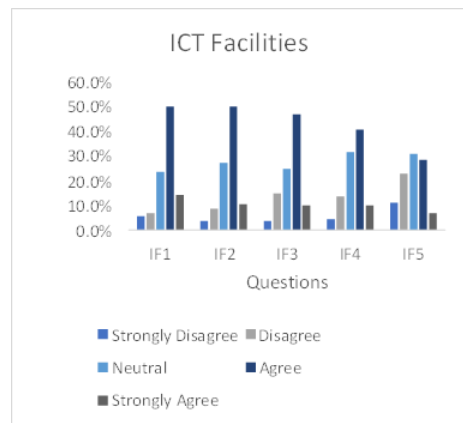


Figure 3: Frequency Analysis on ICT Facilities

4.3.2 ICT Competency of Academic Staff (AS)

With the statistical analysis shows that the mode value is 4 for all the five questions. Figure 4 presents the frequency distribution of the Academic Staff questions results. With that, can

identify that participants are satisfied with the Academic staff in the university to develop the ICT skills. As per the statistical Analysis shows most of the participants agree and strongly agree with Academic staff-related questions asked. With that Sri Lanka university have good academic staff in accounting and finance-related degrees to develop ICT skills and competency of undergraduates.

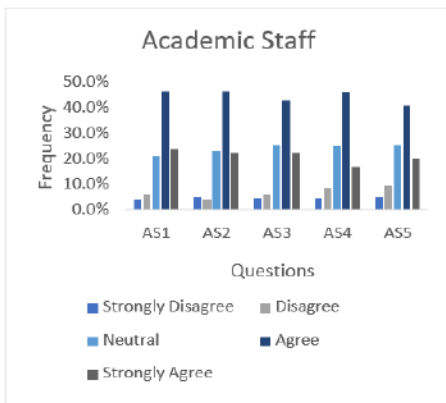


Figure 4: Frequency Analysis on Academic Staff

4.3.3 ICT related Degree Content (DC)

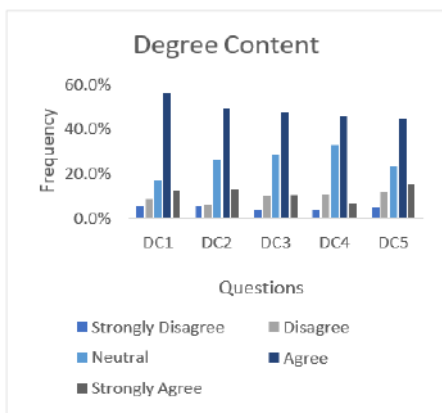


Figure 5: Frequency Analysis on Degree Content

The statistical analysis shows that the mode value is 4 for all the five questions. Degree Content satisfaction regarded question frequency analysis present in figure 5. With that most participants answer was agree for the degree content-related questions. With that students are satisfied with practical ICT methods used in degree content. Also, ICT modules are well integrated into the degree content. With analysis of other questions of degree content accounting software concurrent sessions available and ICT practice sessions adequately available. So can analyse that the university provide practical ICT knowledge in the degree content. And also, students satisfied with ICT enhance session provided by the university. With that clear that the Accounting & Finance Degree content is well organized with the ICT.

4.3.4 Student Satisfaction with ICT implementation

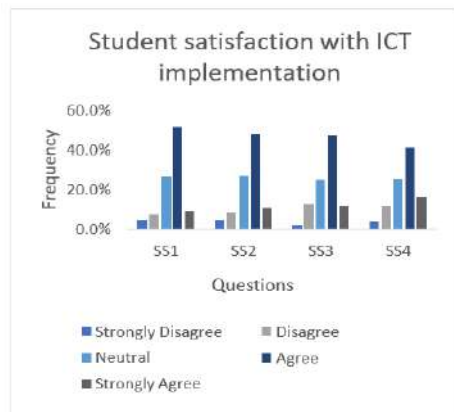


Figure 6: Frequency Analysis on Student satisfaction with ICT implementation

Dependent variable-related answers are frequently distributed as above in figure 6. With that participants answer is agree to all question related to student satisfaction with ICT implementation as per the data collected. With that students are satisfied with training received and facilitation of ICT delivery as per the chart shown above. As the statistical analysis student satisfied with the necessary knowledge to operate accounting software (e.g.: SAP, Oracle) through the university question most students answer agreed. Most of students' answer is agree for all the questions. And ICT knowledge acquired from the university to survival in the industry question most of participant are agree. With that most of the students are satisfied with ICT implementation provided by the university among accounting undergraduates.

4.4 Regression Analysis

To evaluate the model significant below hypothesis is tested. In this research ANOVA table is used to identify model significant.

ANOVA^a

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	96.918	3	28.939	119.064	< .001 ^b
	Residual	38.403	158	.243		
	Total	125.221	161			

a. Dependent Variable: MEAN_SS
 b. Predictors: (Constant), MEAN_DC, MEAN_IF, MEAN_AS

Table 3: ANOVA Table

According to ANOVA table presented model Sig: value is <0.001b. The Significant value is less than 0.05 with the p-value approach. With that can analyse the independent variables

(model) significantly impact the dependent variable. Therefore, can prove that the model is significant.

Coefficients^a

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.	
	B	Std. Error	Beta			
1	(Constant)	.193	.183	1.055	.293	
	MEAN_IF	.250	.075	.228	3.336	.001
	MEAN_AS	.190	.070	.197	2.716	.007
	MEAN_DC	.507	.066	.498	7.668	< .001

a. Dependent Variable: MEAN_SS

Table 4: Coefficients Table

Co- efficient table generated from SPSS, ICT Facilities Sig: value is 0.001, Academic staff Sig: value is 0.007 and Degree content Sig: value is (<0.001). So, all independent variables Sig: value is less than 0.05. With that all the null hypotheses (H0) are rejected. ICT facilities, Degree Content and Academic staff have a significant impact on the student satisfaction on ICT implementation by the university. Below model can develop because the Sig: values are less than 0.05.

$$SS = \beta_1 IF + \beta_2 AS + \beta_3 DC + \beta_0 \dots \dots \dots (1)$$

Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.833 ^a	.693	.687	.49301

a. Predictors: (Constant), MEAN_DC, MEAN_IF, MEAN_AS

Table 5: Model Summary

As per the SPSS generated model summary, independent variables of this research 68.7% affected to change of the Dependent variable. With that the Dependent variable means the students' satisfaction with ICT implementation is changing because of the ICT Facilities, Academic Staff and Degree Content. In

this research only focuses on three independent variables but in the prior scholars identified some other reasons affected to students' satisfaction with ICT implementation. Some other reasons affect to the undergraduates' satisfaction with prior research identify that, university policies to develop ICT among accounting & finance undergraduates (Amarathunga et al., n.d.-b), other support services (Hewagamage & Hewagamage, 2015), personal factors (Chigona & Chigona, 2010) are some other reasons that not in this research focus.

5. DISCUSSION AND CONCLUSION

5.1 Do accounting undergraduates satisfy with the ICT facilities provide by the university for the development of ICT competencies?

The analysis identified that the university provides sufficient ICT Facilities by the universities. The frequency analysis of independent and dependent variables, mode value is 4 for the questions asked from the participant. The majority of participants are satisfied with ICT facilities provide by university for the development of ICT competencies. Most participants give satisfaction level of Agree to the answer. With that we can identify that university provides adequate computer lab facilities to undergraduates. ICT facilities provided are adequate. And the license that is needed for accounting undergraduates like SAP, Oracle were

provided in sufficient way. Although these facilities provide at a agree level. However, the financial support provided by the university to buy electronic devices and accessories at a neutral level. Sri Lanaka as a developing country undergraduate having financial support will be more needed. Because to develop ICT skills among undergraduates they need more practice. Siddiquah & Salim, 2017b research identified that when the ICT skills can improve when they have laptop. Then they need electronic devices. With that, universities have to focus this area also to develop ICT skills among accounting undergraduates. Weerasinghe and Fernando, 2018d research, identified that there was no ICT facilities in the regional universities in the past, but now it has been identified that the necessary facilities are being developed to increase the necessary ICT skills among the undergraduate students and research identified that facilities and students' satisfaction have positive relationship.

5.2 Do accounting undergraduates satisfy with the ICT competency of academic staff for the development of ICT competencies?

The frequency analysis of the variables satisfied with the academic staff agree and strongly agree answers. With the mode value is 4 the academic staff provide practical knowledge with like accounting software that the accounting and finance undergraduates need. Lecture hours use computer software effectively. And also, the ICT regarding

queries and concerns promptly addressing. Accounting undergraduates are satisfied with that. And also, the computer lab assistant of the universities has sufficient knowledge that undergraduates expect. With that universities these facilities as the same in the future the accounting and finance undergraduates' ICT competencies will develop and with the industry expectation level will be met. With the majority of participant answer is agree with that the university academic staff is well qualified, and they develop the ICT skills among undergraduates. (Kotb et al., 2019b) find that the universities have academic staff for development of ICT skills among undergraduates. Siddiquah and Salim (2017) identify that the university academic staff use relevant software for develop the undergraduates ICT knowledge.

5.3 Do accounting undergraduates satisfy with the ICT related degree content for the development of ICT competencies?

With the frequency analysis of degree content, the mode value is 4 for the survey question related to the degree content variable. With that undergraduates are satisfied with the Degree Content of the university providing. The majority of participants are satisfied with the degree content provide by the university to develop ICT skills. Kotb et al. (2019b) research identified that degree content is design with the requirement of ICT development. Degree content is well

organized with the practical sessions with the ICT modules are well integrated. And accounting software knowledge is also given by the university. In the degree content, sufficient practice sessions are allocated to enhancing ICT knowledge enhancement session allocated in the degree content. With that can identify that accounting & Finance Degree content is made with covering the ICT development. Siddiquah and Salim (2017b) and Amarathunga et al. (n.d.) identified that degree content is related with enhance the knowledge of ICT as practical. University can enhance their degree content with more ICT requirement then the students will enhance their knowledge of ICT. A fair distribution was found across the subject disciplines with regard to the mode of delivery of IT-related topics, with a combination of normal class-based teaching and computer lab workshops (Kotb et al., 2019b; Amarathunga et al., n.d.).

5.4 Limitations and Recommendations

This research focuses only on ICT facilities, academic staff, and degree content as independent variables for assessing student satisfaction with ICT provision by the university. However, certain factors that can also influence student satisfaction, such as ICT-related policies, environmental conditions, and personal attributes, have not been considered in this study due to time constraints. Furthermore, the

sample size is restricted due to these time limitations, as the research involves only four university undergraduates. For a more comprehensive understanding of accounting education in Sri Lanka, future studies may benefit from examining other universities in the country. It is important to acknowledge that there are some visible limitations in this research.

Considering the limitations and the findings of this research, several recommendations are provided for future research in this field. Future studies on students' satisfaction with the university's ICT provision can broaden their focus to include other influencing factors, such as environmental conditions, personal factors, and ICT-related policies. Increasing the sample size in future research is advisable. Further this research can improve, Comparison between Private and Government university providing ICT for development ICT skills. Additionally, future investigations can centre on identifying the barriers to enhancing ICT skills among accounting undergraduates from the perspective of lecturers.

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Investigating the Factors Influencing the Perception of Accounting Undergraduates towards Their Internship Program

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ABSTRACT

The internship program is the most important aspect of an academic curriculum in higher learning institutions for accounting. The focus of the current study is to investigate the perception of accounting undergraduates towards their internship program in both private and state. The study was an empirical study on the positivism approach by using a cross-sectional design. The data was collected from 160 accounting undergraduates in both private and state universities in Sri Lanka through self-completion questionnaires they were selected sample using a convenience-based cluster sampling strategy. The accounting undergraduates positively perceived their accounting internship program. Which is statistically significant based on the linear regression. The researcher used the Pearson Correlation and identified that there were positive

relationships between variables. The researcher analyzed the adjusted R square and identified how much of the dependent variable was explained by using independent variables. In the local context, there is a lack of research related to internship programs in academic degree programs. The current study is expected to identify the real satisfaction of accounting undergraduates based on the above factors. Further, the current study will assist in identifying the other factors affecting the accounting internship program and other internship programs in other contexts.

Keywords: Accounting undergraduates, Internship program, Perception

1. INTRODUCTION

Internships is a popular element in almost all education programs. Urquía-Grande & Pérez Estébanez (2020) mentioned that the internship program

originated through medical and nursing schools. Nevertheless, after a certain period, Accounting, and Finance field also develop their internship programs. Internship is a positive strategy for undergraduates to compete in the comprehensive curriculum with an attractive internship program. The previous research article by Lam and Ching, (2007) studied the difference between the perception and expectation towards their internship program and assessed the relationship between the factors and overall satisfaction. The perception and expectations had a close relationship. The previous study Lam & Ching, (2007) focused on the tourism and hospitality schools and colleges in Hong Kong and distributed the questionnaire. and the researcher identified that all the student's perception scores about internships were lower than the expected score through this research findings, implying that each internship variable suffered an internship quality shortfall. The previous study Lam and Ching, (2007) investigated three objectives. Through that the previous research study found that the students have high expectations of broadening their work experience, developing technical skills, and acquiring good opportunities for future career development. Therefore, the previous study identified that there are three factors mainly affected to the internship program supervisor support, autonomy, and team spirit. According to the factor analysis findings, the current researcher selected the above three factors and investigated how these three

factors affect to the overall internship satisfaction of the accounting internship program in Sri Lanka.

Chang et al (2009) and Kalisch et al (2007) previous research articles mentioned that when there is strong teamwork increases internship satisfaction for their undergraduates. Under the accounting degree program, there is a smaller number of research conducted to identify the relationship between team spirit and internship satisfaction. Therefore, the current researcher should explore how the team spirit affected the accounting internship satisfaction.

Most of the research studies observed that the impact of autonomy on internship satisfaction is not adequately researched. Therefore, the current researcher should investigate how autonomy affects accounting internship satisfaction. The previous study by Nguyen et al (2003) found that autonomy is important for other things like the intern can develop their self-confidence, critical thinking, command over their mind, self-motivation to do the work and take the highest responsibilities through the work life as well as education life. The previous study Lam and Ching (2007) and Ali et al (n.d.) observed that the impact of supervisor support on internship satisfaction is not adequately investigated in Sri Lankan context. Therefore, the researcher should investigate how the supervisor's support affected the overall accounting

internship satisfaction. The prior study by Elias and Mittal (2011) mentioned that supervisor support is important because if the organization changes its policies and processes for the work the employee faces difficulties in doing the work however the supervisor provides guidance and rules & regulations for their employees to do the work. The accounting internship programs of Sri Lankan universities are different compared to other universities in the world. Because the internship duration is higher compared to the other countries, there is a unique training and development program conducted in Sri Lanka to build specific skills for their interns compared to the other countries Totto et al (Tatto et al., 1993). And Gunarathne et al (2019) So, in that reason the researcher will find out whether these factors affect the internship satisfaction of accounting undergraduates in Sri Lanka.

The main question is what factors are influencing the student perception of internship programs. The main question was further drilled down to the three questions based on the three factors like autonomy, team spirit, and supervisor support. To address the questions more meaningfully of the accounting internship satisfaction. Concerning the problem statement following research questions were identified,

1. What is the impact of supervisor support on student satisfaction in an accounting internship program?
2. What is the impact of autonomy on student satisfaction in an accounting internship program?
3. What is the impact of team spirit on student satisfaction in an accounting internship program?

2. LITERATURE REVIEW

2.1 Background of an Internship Program

As per the previous research study Yazkhiruni Yahya, (2009) mentioned that internship is “The position of a student or trainee who works in an organization, sometimes without pay, to gain work experience or satisfy requirements for a qualification”. The internship program was started at the University of Cincinnati in 1906 in the College of Engineering; it became mandatory in 1929 Walker et al (2011a). In the early 20th century, the universities re-established internships in which students in classroom learning with workplace applications to increase student learning and performance. The internship program was started for medical undergraduates however after a certain time period, other industries like arts designing, engineering, accounting tourism industries demand graduates with practical experience so in that reason and get more practical experience for their undergraduates these universities also started to do the internship program and identified the is a mandatory requirement to complete the internship as part of their bachelor’s degree programs To & Lung (2020) and Villanueva- et al (2022).

Through the internship, there is a good opportunity for undergraduates to acquire practical and employable skills as well as different workplace ethos. The prior research article mentioned that Urquía-Grande & Pérez Estébanez, (2020) the government, universities and companies heavily consider the internship program. They stated that graduates need relevant skills and knowledge before applying the permanent jobs and the internship is the common feature of the labor market in the industrialized countries McHugh (2017). The internship can be defined in unusual ways for different industries. Internship is a mandatory program for degrees in some universities. For example, for medical undergraduates, an internship is mandatory for them. The research study Renganathan et al (2012) further explained that engineering undergraduates incorporate a minimum of six months of practical training required for the degree program. Through this experience, the intern can enhance their learning or understanding of the issues relevant to the area of study Jaffri et al (2011). Undergraduates get firsthand information about the industry through the internship programs (Mensah et al., 2020). Apart from that undergraduates can take professional industry experience while undertaking their university degree program and can get the exposure to an actual work environment in outside the university Maelah et al (2014). The different research articles like Walker et al (2011a) and Chen et al (2018)

mentioned that undergraduates participating the internship they can get the opportunity to prepare for their future careers and get an idea of how to practically apply the theory learned under the degree modules of the universities. The intern can build up critical thinking ability through the internship. skills like time management skills, communication skills, and self-discipline skills are developed through the internship program. As well as through the internship, the undergraduates can get an idea about how should work in the work environment as well as how to deal with the employees working in an organization. For example, Renganathan et al (2012) certain tasks given to the interns. These tasks need to be done as a team. If there is some problem, that arises in the tasks the interns should critically think and get the proper solution for that after taking the solutions the interns can finish this task successfully way. Those kinds of decisions the undergraduates can take because of the attempting to the internship programs. The undergraduates can get the foundation needed for that through the internship opportunity. undergraduates face numerous issues and hardships during the internship few drawbacks persist in certain areas. The internship issues and problems can be categorized under the main types. The previous research study Maelah et al (2014) mentioned the workplace, working hours, insufficient supervision, and ignorance about the importance of working and wages.

On the other hand, in my personal experience, the undergraduates are full-time employees during the internship period and must do their university studies as well. The accountability and responsibility in full-time employment could be higher than that of the internship. According to Maelah et al (2014) full-time employment could also be the reason for the drawbacks in the internship program. When it considers the stress level the undergraduates face the high stress level during their internship period. The reason is because they must continue their university studies with the job in parallelly. Some undergraduates cannot balance this properly. Especially in the mercantile sector, audit firms have a lot of workloads for one intern during their peak period. During this period the undergraduates are unable to manage both internship and university studies. Further, the research article Neelam et al (2019) explained that “The internship program is plagued with a problem that apart from making the experience unfulfilling leaves a bad taste in the intern’s mouth and deters others from applying in the future”. The work organization pays a lesser amount of salary for the interns and gets huge work from them. Apart from that due to the high workload, the students are unable to participate the extracurricular activities which has caused a loss of social relationships.

2.2 Internship program related to the Accounting Discipline

The growth of the accounting internship programs is popular among the students. Because accounting undergraduates got a lot of experience and developed their skills through the accounting internship program Martin and Wilkerson (2006). The accounting internship is different from other internship programs. Thompson (2011) Accounting undergraduates require specific practical skills to apply the theoretical knowledge learned in the universities to the organizational context. The research study was critically explained by Urquía-Grande and Pérez Estébanez, (2020) accounting undergraduates know how to apply the practical and technical skills acquired in their degree program before starting to work. Because the trend in the labor market increases the need for professional trainees to work independently adopt and solve the problems. This article clearly stated that Martin and Wilkerson (2006) “The Accounting Change Commission.” suggested all the accounting interns acquire firsthand of applying accounting and auditing knowledge to solve real problems during their accounting internship program.

The research article Villanueva-Vunnasiri et al (2022) clearly stated that when accounting undergraduates go into the industry after graduation, they must have comprehensive accounting knowledge, and accounting discipline is also required. Because in this profession

the employees have been flexible and adaptable. As an example, if there is a change in any standard or regulation the employee should be adopted properly. So, in that case, when accounting undergraduates can gain this experience during their internship program. The accounting undergraduates required certain creative, innovative, synthetic skills and the required level of accounting tools and package knowledge. The research article Thompson (2011) further explained that accounting undergraduates prepared professional accountants. The accounting undergraduate can gain the knowledge, skills, and experience and provide the foundation knowledge related to the professional accountant. These things are further stated by the committee of the American Institute of Accountants and the Committee on Faculty. Through the accounting internship program, the undergraduates can get vast practical knowledge like the undergraduates have a chance to use the different accounting tools and accounting packages for data entering and preparing different statements, and based on those statements and reports they have an opportunity to make decisions as well. Because these things cannot gain during the university degree modules. These things are applied and gained experience through the internship period. The Big Four audit firm and other non-audit firm provide the opportunity for accounting undergraduates.

2.3 Students Overall Perception of Their Internship Program

When the different researchers mentioned that the undergraduate's perceptions towards their internship program varied depending on their individual experience and their expectations. However, learning experience, networking opportunities, career skills development, obtained knowledge, flexible working environment, and working patterns, building teamwork, and others are common factors affecting the interns' overall perception of their internship program. The different research articles mentioned that Karunaratne et al (2019a) and Mohammed & Rashid (2016) the undergraduates perceive the internship program as offering significant career preparation and income apart the intern can develop their self-confidence, and self-satisfaction in the life-long learning process. The interns viewed the internship program is the most valued experience in the educational administration preparation process. This researcher Pusiran et al (2020) and Kim and Park,(2013) mentioned that the interns had a negative perception of their internship program. There is a significant gap between the industry expectations and the intern's student perception of skills that they should acquire before undertaking the internship. Even though if they find a proper job or the proper industry to work and gain good experience the bad experience might be converted to a

positive side. Because after graduation the interns can find a realistic job. As an example, accounting undergraduates believe that they can improve their accounting standard knowledge and auditing procedures, standards, and professional knowledge when entering the audit firm as interns (EJ1065745, n.d.). The various researchers investigated that the internship is perceived as the most effective strategy for the employment opportunity to gain practical experience and exposure during their internship program and helpful to improve the career decision making as well. The medical research article Ju et al (1998) mentioned that the students perceived that the internship was a more effective way to acquire professional skills and reduce the uncertainty about their future careers as well as the education process. The undergraduates are always trying to secure their professional future by expanding educational opportunities. At the same time the organizations are seeking to more effective way to reduce the uncertainty in the future hiring process as well. Some research articles Green et al (2011) and He & Qin, (2017) mentioned that the interview hiring process mainly examines the student traits like personality characteristics, technical competencies, interpersonal skills, and background information commonly considered. So, in that case the students are perceived as these things to achieve during their internship program.

Overall internship satisfaction is a key tool Hanaysha and Tahir (2016) and Reinagel and Gerlach, 2015 (2015). This is determined by the several job domains, like pay, job security, promotion prospects, and work attitude. The prior research articles Neelam et al (2019) Reinagel and Gerlach, (2015) mentioned that when undergraduates have good internship experience the undergraduates expect to gain good practical exposure, good long-term relationships of the main company, guidance from the university, and internships meeting interns' curriculum requirements. Looking at this way To & Lung (2020) distinct factors have an impact on the student satisfaction with their internship program. That is the quality of mentoring, challenging the assignment, students' positive attitudes, task significance, learning opportunities, and other factors will influence the internship satisfaction of undergraduates. Moreover, supervisor support and team spirit were found to be key predictors of internship satisfaction. The previous research study To & Lung, (2020) mentioned that the work supervisor played a more significant role in internship supervision on internship satisfaction. Apart from that, job satisfaction is one of the key variables that affect organizational success.

2.4 Elements that Contribute to Internship Satisfaction.

Previous research studies mentioned that several factors affected internship

satisfaction. Some of factors were explained based on the past literature.

2.4.1 Internship provider

The undergraduates get a significant amount of credit points through this internship program and perform the overall evaluation. During the internship period, the undergraduates spend most of their time in selected internship-providing companies. Therefore, the quality and the success of the internship program depend on the internship-providing company. Also, working conditions, availability, and opportunities to knowledge gathering and training experience are directly affected. Most of the time undergraduates selected the rated company. Because undergraduates believed that those companies provide real job experience and this companies provide well-structured training experience. However, in some instances, internship provider company support was in consistence due to a higher variability rating Jaffri et al (2011) and Renganathan et al (2012).

2.4.2 University Support

The previous research study Hussien and La Lopa, (2018a) mentioned that the university supervisor was affected to the internship satisfaction. The university supervisor worked as consultant when emergency or unexpected problems arise during the internship period Therefore, the undergraduates maintained the supportive relationship with the

university supervisor. The research article explained that good university support provides higher training input and satisfaction levels.

2.4.3 Compensation

According to the prior research Jaffri et al (2011) majority of undergraduate perceptions regarding the internship program were stressed but favorable feedback was received during their internship experience. However, many undergraduates didn't strongly agree on the financial compensation received from internship providers. Seeing that this compensation amount is not enough to cover at least the study-related expenses.

2.4.4 Academic performance

According to the results of the study conducted Neelam et al.(2019) In general students with internship experience had significantly higher GPAs than students without internship experience. Insofar as the course knowledge from the internship was directly applicable, students with experience were observed to perform better. Therefore, there is a significant correlation between the GPA and the career placements. However not a strong relationship between overall job performance and job satisfaction. Most of the previous studies are conducted based on the assumption the internship would improve academic performance (GPA). However, in some previous research articles, Walker et al (2011a) mentioned that the internship provides

limited and mixed results. The prior researcher Duignan (n.d.) mentioned as the same thing.

In addition to the factors mentioned here, the various factors affected the satisfaction of the internship program for an accounting undergraduate. Mainly the team spirit, autonomy, and supervisor support affected the internship satisfaction for the accounting undergraduates. The previous research study Karunaratne et al (2019a) also mentioned that autonomy is required to undergraduates during their internship program, the study focuses on the undergraduate's belief that they are always able to independently apply what they have learned in the classroom during their internship. They are always perceived to develop their skills and abilities and give them a chance after making a decision that suits the relevant situation. The textile industry also mentioned that freedom to work independently is more important to developing time management, interpersonal skills, communication skills, and other skills developed during their internship program. The organization provides the proper training for their interns this would also help to develop the work independently. The study mentioned that teamwork and supervisor support are essential to satisfy interns towards their internship program. Because the supervisor gives feedback continuously and arranges the tasks and activities under the scheduled time framework.

Karunaratne et al (2019b) the hospitality sector also mentioned that coworkers, supervisor support, and teamwork, are affected by the satisfaction of an internship. The prior research study clearly illustrated that the students wanted to use a variety of skills with a chance to practice autonomy, supervisor support, and feedback was important. He and Qin, (2017) Team spirit is very important because when the students are working as a team they can share different knowledge, experiences, support, motivation, and build good networking among the students during their internship program. When the undergraduates had a positive team spirit during their internship program the students had a positive perception of towards their internship program.

In this way, the research article by Green et al (2011) mentioned that different factors influence the internship satisfaction of undergraduates towards their internship program and some of the factors are described above. The prior research study did the factor analysis and identified these factors and also another article mentioned that team spirit, supervisor support, and autonomy is essential key factors to satisfy the interns towards their internship program.

3. METHODOLOGY

The chapter gives an idea about how the research questions were addressed. According to the previous study Lam & Ching (2007) adopted quantitative

research methodology based on the hypothetical method. Therefore, the current study also adopted this methodology. The previous research findings section found that there was a positive relationship between the variables. Therefore, the philosophical assumption is that the current study had a positive relationship. It means that the current study adopted a positivism approach. The current study used cross-sectional design at a single point in time. Because the researcher can easily quantify, analyze and easily generate the relationship between the variables. The target population for the study was defined as accounting undergraduates who are following and followed an internship program in Sri Lanka. There are seventeen state universities and more than thirty private universities in Sri Lanka. The sampling strategy followed in selecting the sample is intended to be convenience-based cluster sampling followed by the purposive sampling technique. Using that sampling, the researcher selected the University of Sri Jayawardenepura, the University of Colombo, and the University of Kelaniya under the state universities and the National School of Business Management (NSBM) under the private universities. The current researcher developed the conceptual framework as shown in figure 1.

The researcher developed the null and alternative hypothesis for each independent variable based on the conceptual framework. The current researcher distributed the questionnaire

to the 160 accounting undergraduates following and following the accounting internship program in these four universities.

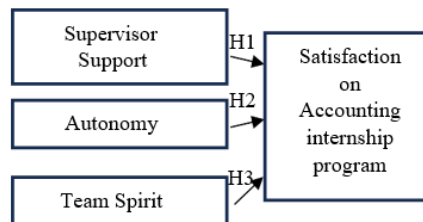


Figure 1: Conceptual Framework

Lam and Ching, (2007) The current researcher used the primary data collection method because the researcher can get more timely and reliable data. As a preliminary analysis, a demographic data analysis was conducted to get an idea about the nature of the accounting undergraduates who are following and followed the accounting internship program. The researcher used the SPSS software and did demographic factor analysis, descriptive analysis, reliability testing, and analysis of the pearson correlation and coefficient to achieve the research objectives.

4. DATA ANALYSIS AND DISCUSSION

4.1 Respondents' Profile

According to the sample, most of the accounting undergraduates who are doing the accounting internship were aged between 20-23 years. 40.6% of respondents were aged between 24- 26 years. The 0.6% of respondents were aged below 20 years. It means one

respondent coming under this age category and there is a lower amount in above 26 years of age. It means that some respondents have commented and shared their views about the internship they did during their university. Out of 160 respondents, most of the respondents were female as a percentage 55.6% (81 respondents).

When analyzing the universities most of the respondents were in NSBM Green University as a percentage 46.3%. When the University of Colombo and the University of Kelaniya respondents were around 18%. The lowest percentage of respondents were in the University of Sri Jayawardenepura. The accounting undergraduates have the option to select any institute they wish as it matches with their requirements and preferences. Therefore, accounting undergraduates selected their internship placement. These four university accounting departments arranged the internship awareness program from 3rd year onwards. In other cases, most of the undergraduates found their internship via friends and family relatives. Some organizations were maintaining good relationships with the department. Through that relationship, undergraduates found internship opportunities through the accounting department. The percentage is 23.8%. The least number of undergraduates found their internship opportunities through the university placement office and other ways. Around 47.5% of the undergraduates were attached to the audit firm for their internship program.

Because the universities had a close relationship with the Big Four audit firms. In the audit firm have more opportunities for accounting undergraduates to develop their professional qualifications. 43.8% of accounting undergraduates were attached to the private sector and 8.8% of accounting undergraduates were attached to the government sector. It means that accounting undergraduates believe that the audit firm gives better exposure to their interns rather than non-audit (private and government) companies.

4.2 Demographic Factor Analysis

When the researcher analyzed the cross-tabulation analysis researcher recoded the values and calculated mode and identified how demographical factors and background information affected to the internship. Through the cross-tabulation identified how many respondents were satisfied, dissatisfied, and neutral with their internship program. When the researcher mainly focused on the institute from 160 respondents 76 respondents worked in an audit firm out of that most of the respondents were in a satisfied situation. 70 respondents worked in the private sector and others worked in the government sector. The researcher identified that accounting undergraduates prefer to do their internship in an audit firm. Because the audit firms recruited more accounting interns and provided better exposure to their interns than the non-audit firms.

4.3 Reliability Analysis

The reliability of the variables was calculated using the Cronbach Alpha. This measurement helps to measure the internal consistency among the variables. All the variables had more than 0.7 Cronbach alpha value. It means that the variable had an internal consistency.

4.4 Analyzing Correlation

The researcher analyzed Pearson's correlation to identify how two variables react to each other. The researcher can conclude that for all the three independent variables the coefficient value is more than +0.5. It means that there was a strong positive relationship between the variables.

Pearson's correlation between supervisor support and internship satisfaction shows a positive relationship between supervisor support and internship satisfaction. The coefficient value is 0.730, with a p-value of 0.00. Both autonomy, team spirit, and internship satisfaction show a positive correlation between the independent variables and dependent variables.

	SS	A	TS	IS
SS	1			
A	0.668	1		
TS	0.777	0.703	1	
IS	0.730	0.701	0.779	1

Table 1: Pearson's Correlation

There were positive correlation results among the supervisor support and autonomy. It means the coefficient value is 0.668. Here, again the coefficient value is 0.703. This means that there was a strong positive relationship between autonomy and supervisor support. The researcher can conclude that there were positive relationships between the two variables.

4.5 Analyzing Regression

	Model	df	Mean Square	Sig.
1	Regression	3	11.677	.000 ^b
	Residual	156	0.108	
	Total	159		

Table 2: ANOVA Table

The researcher tested whether the entire model was significant or not using this ANOVA table. Using that table 2, the researcher developed the model as $IS = \beta_0 + \beta_1SS + \beta_2A + \beta_3TS$. In this IS means internship satisfaction, A means autonomy, and TS means team spirit. Using that table 2 researcher developed the two hypotheses,

H0: None of the independent variables are significant.

H1: At least one independent variable is significant.

According to above table 2 the significance value is 0.000. The α value is 0.05. It means that, P value < 0.05. The researcher can reject the null hypothesis. Because the significance value is lower than the α value. The researcher can conclude that at least one

independent variable (supervisor support, team spirit, and autonomy) is significant.

Model	B	Sig
(Constant)	0.077	0.440
Mean SS	0.258	0.002
Mean A	0.222	0.000
Mean TS	0.415	0.000

Table 3: Coefficient Table

The researcher used the coefficient table to check whether each independent variable is significant. In the current research, there were three independent variables. According to the variable the researcher developed the null and alternative hypothesis under the methodology section and tested whether these null hypotheses are rejected or not based on the significance value. The researcher can develop the equation for this model.

H0: There is no significant impact of supervisor support on the satisfaction of the accounting internship program.

H1: There is a significant impact of supervisor support on the satisfaction of the accounting internship program.

According to table 3 the supervisor support (independent variable) significance value is 0.002. It means that the significance value (p-value) is < 0.05. The researcher can reject the null (H0) hypothesis. This means that there is a significant impact of supervisor support on the satisfaction of the accounting internship program.

H0: There is no significant impact of autonomy on satisfaction of the accounting internship program.

H2: There is a significant impact of autonomy on satisfaction of the accounting internship program.

According to table 3 the autonomy (independent variable) significance value is 0.000. It means that the significance value is < 0.05. The researcher can reject the null (H0) hypothesis. This means that there is a significant impact of autonomy on the satisfaction of the accounting internship program.

H0: There is no significant impact of team spirit on the satisfaction of the accounting internship program.

H3: There is a significant impact of team spirit on the satisfaction of the accounting internship program.

According to table 3 the team spirit (independent variable) significance value is 0.000. It means that the significance value is < 0.05. The researcher can reject the null (H0) hypothesis. This means that there is a significant impact of team spirit on the satisfaction of the accounting internship program.

Model	R Square	Adjusted R Square
1	0.674	0.668

Table 4: Model Summary

The model summary explained that the dependent variable (internship satisfaction) will change according to my knowledge, based on the literature review and according to the conceptual framework, the dependent variable is reacting because of independent variables (supervisor support, autonomy, and team spirit). The adjusted R square explains how much the percentage of change in the dependent variable will be covered by independent variables (supervisor support, autonomy, and team spirit).

According to table 4 the adjusted R square is 0.0668 as a percentage of 67%. That means 67% of the accounting internship satisfaction (dependent variable) is explained by the supervisor's support, autonomy, and team spirit (independent variables). The remaining 33% of the accounting internship satisfaction is explained by the other variables.

In the previous research articles Yazkhiruni Yahya (2009) mentioned that different factors affected undergraduate internship satisfaction. In the Malaysia research study, Yazkhiruni Yahya (2009) mentioned that academic qualification, duration of the internship, and compensation affected accounting internship satisfaction. The previous management research by Prima Frederick & V. T (2022) mentioned that management undergraduates required pre-placement operations, a student industrial internship unit. The hospitality industry research by Mensah

et al (2020) mentioned that organizational support and co-worker support also affected to overall hospitality internship satisfaction. Further Malaysia research study Jaffri et al (2011) explained that accounting undergraduates are satisfied with their internship program through knowledge and practical experience, soft skills, monetary and non-monetary benefits, and career. The researcher can identify that there were different other factors except the supervisor support, autonomy and team spirit affected the undergraduates' internship satisfaction towards their internship program.

5. CONCLUSION

The research study was conducted to identify the statistically significant of accounting undergraduate internship satisfaction towards their internship program. Further significant dimensions affecting the overall satisfaction of the accounting internship program was identified using the regression model. Then the statistically significant difference in internship satisfaction is based on the different demographical factors.

5.1 To identify the impact of supervisor support on student satisfaction on an accounting internship program.

In the current research study, the researcher identified that there was a significant impact of supervisor support on student satisfaction on an accounting internship program. Under the data

analysis and discussion section the researcher analysed the regression output and determined that the significant value is less than 0.05. As a result, the researcher concluded that there was a strong association between the independent variable (supervisor support) and the dependent variable (internship satisfaction). The prior study Lam and Ching (2007) conducted to tourism and hospitality undergraduates in Hong Kong. The research study also conducted the linear regression and identified that superior affected to the overall internship satisfaction of the tourism and hospitality industry, and this research study analyzed the coefficient and further researcher identified that this supervisor support affected to internship satisfaction. The previous research To and Lung (2020) was done for the Chinese students. The researcher analyzed and identified that supervisor support positively and strongly affected to internship satisfaction Villanueva- Vunnasiri et al. (2022) and Neelam et al (2019) the research study findings mentioned that supervisor evaluation and supervisor involvement was significantly important to undergraduate internship satisfaction. The current researcher concludes that the supervisor support significantly affected to the accounting internship satisfaction.

5.2 To identify the impact of autonomy on student satisfaction on an accounting internship program.

In the current research study, the researcher reviewed the regression

output in the data analysis and discussion section and found that the significant value was less than 0.05. As a result, the researcher concluded that there were a positive association between the independent variable (autonomy) and dependent variable (internship satisfaction). The Hong Kong research Lam & Ching (2007) identified that there was a significant impact of autonomy on student perception on internship programs. According to the research (Chong et al., n.d.) under the discussion section the researcher discussed and concluded that autonomy is helpful to improve the self-strengths and weaknesses and identify the skills and abilities during their internship program. Therefore, the undergraduates were informed that autonomy has a significant impact to the internship program. The previous study Paulins, (2008) under the data analysis and discussion section explained that autonomy emerged as a significant contributor to internship satisfaction. Internships provide opportunities for them to work independently to some extent seem to be on the right track toward internship satisfaction.

5.3 To identify the impact of team spirit on student satisfaction on an accounting internship program.

In the current research study, the researcher identified that there was a significant impact of team spirit on student satisfaction on accounting internship program. Under the data analysis and discussion section the researcher analyzed the regression

output and determined that the significant value is less than 0.05. The significant value is 0.02. As a result, the researcher concluded that there were strong association between the independent variable (team spirit) and dependent variable (internship satisfaction). The previous research study Lam and Ching (2007) conducted to the tourism and hospitality undergraduates in Hong Kong. The researcher analyzed the regression analysis and found that the hospitality internship affected the teamwork during their internship. And the researcher further explained that there was a significant relationship between the team spirit and internship satisfaction under the conclusion. Because the researcher concluded that the significance value also be less than compared to the alpha value. The accounting undergraduate related research Jaffri et al., (2011) researcher also mentioned that the teamwork is important factor satisfy their accounting undergraduates towards their internship program. The research Thompson, (2011) and Paulins (2008) findings indicated that team spirit is the most important factor when considering the internship satisfaction of undergraduates. The current researcher concludes that the team spirit significantly affected to the accounting internship satisfaction.

5.4 Limitations of the Study

As with most empirical research, this study also has its limitations. The small sample size as well as the short time

covered is identified as one of the major potential limitations. The current research study only used 160 respondents which is very small when compared to other research done by the different countries as well as the same country related to the different internship programs.

The selected sample comprised of three state universities (the University of Sri Jayewardenepura, the University of Colombo, and the University of Kelaniya) and one private university. (NSBM Green University) rather than sample based on all the state and private universities which are providing the accounting degree on Sri Lanka. This may cause the results of the study to be biased to the accounting undergraduate who are following or followed internship program. Hence the ability to generalize the obtained results to finance undergraduates and other management undergraduates who are followed and following internship program.

There are some limitations due to the research design as well. The one limitation is that in cross-sectional design. The reason is that it the difficult to develop the relationship from analysis data. The researcher further explained that there may be other factors also affecting the satisfaction of accounting undergraduates towards their internship program. On the other hand, there were different factors like physical and mental condition, exam stress, learning method, understandability, knowledge, and other

factors that were affected by the response and the responses varied from each respondent.

5.5 Future Directions

It is assumed that the current study would provide a base for carrying out further research in this context. Previous empirical studies have identified a wide variety of independent variables that affect accounting undergraduates' internship satisfaction. The current research study used the three independent variables based on the previous literature review and past research findings. However, the future research studies the researcher can use the university support, organization support compensation, and other factors as independent variables and will identify and improve the accounting internship in an in-depth way.

The future direction of the study would be what are the issues faced by the accounting undergraduates during their internship program. The researcher can do the broader analysis will compare the before and after the internship program and they can identify what is the gap between these stages. In the future the researcher can develop the current study in a different context and develop this study in further.

The sample size and the shorter time covered is identified as major limitations of the study. A sample based on all the state and private universities which are offered accounting degree for their undergraduates through that the

researcher can get more accurate results rather than these three universities considered under the current study. Therefore, it is recommended to conduct further studies by using a much broader set of data.

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Connection of Experiences in Raising Students' Digital Literacy

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ABSTRACT

This study aims to identify the significant impact of understanding digital practices, Using Information, Finding Information, and Creating Information on students' digital literacy. From this objective I answer the question of what is the impact of understanding digital practices, Using Information, Finding Information, and Creating Information on students' digital literacy. This is a quantitative study. In this study, I took three universities as my sample. They are the university of Sri Jayewardenepura, the university of Colombo, and NSBM Green University. The sample was selected by using convenience sampling and snowballing sampling techniques. I used a survey questionnaire to collect data. It means this study used a primary data collection method to collect data. 120 undergraduate students responded to the questionnaire. So, the sample size is 120 individuals. To analyze the data, I used SPSS. Based on the findings, the experience of using information and

finding information has a significant impact on the students' digital literacy. Also, the experience of understanding digital practices and creating digital information does not have a significant impact on the students' digital literacy. That means the experience of understanding digital practices and the experience of creating information does not affect the student's digital literacy. However, the independent variables of experience of using information and experience of finding information affect the students' digital literacy.

Keywords: Digital literacy, Experiential Learning Theory, Learning by Doing Theory, Undergraduate Students

1. INTRODUCTION

1.1 Background of the Study

In the rapidly advancing digital age, the ability to navigate, understand, and utilize digital technologies has become an essential skill for individuals and

societies alike. This collection of skills and competencies is known as "Digital Literacy". Digital literacy is not merely about using technology but rather encompasses a range of capabilities that enable individuals to interact effectively with the digital world, access and evaluate information critically, and engage responsibly in the digital space. At its core, digital literacy involves both technical and cognitive aspects. On one hand, it requires a fundamental understanding of various digital tools, devices, and platforms, including computers, smartphones, tablets, software applications, and internet services. This technical proficiency enables individuals to communicate, collaborate, and access information efficiently.

On the other hand, digital literacy involves critical thinking and the ability to evaluate information from digital sources critically. The internet is a vast repository of information, but it also hosts misleading content, misinformation, and fake news. Digital literacy empowers individuals to distinguish between credible sources and dubious ones, fostering a more informed and discerning approach to consuming information online. Moreover, digital literacy encompasses the skills to protect personal information and privacy in an increasingly interconnected world. Understanding online security measures, recognizing phishing attempts, and safeguarding one's digital identity are crucial components of being digitally literate.

Digital literacy is not limited to a specific age group or professional domain; it is a vital skill for everyone. From students researching for assignments and professionals seeking information to senior citizens connecting with family and friends through social media, digital literacy plays an integral role in daily life. Furthermore, digital literacy plays a pivotal role in driving economic growth and societal development. In the modern workplace, proficiency in digital tools and digital communication is often a prerequisite for employment and career advancement. Enhancing digital literacy across all demographics can help bridge the digital divide, ensuring equal access to opportunities and resources in the digital era.

1.2 Background of the context

With the advent of the digital age, technology has significantly impacted university academic activities, leading to the emergence of a more digitally integrated and tech-driven learning environment. This shift has given rise to the concept of digital literacy, as universities recognize the importance of equipping students with the skills needed to navigate the digital world effectively.

Digital literacy is most important to the university's academic activities. Digital literacy enables students to access a vast amount of information and research materials through online databases, digital libraries, and academic journals,

Digital literacy is essential for engaging in online learning, whether through fully online courses or blended learning approaches. Students need to navigate learning management systems, access course materials, and participate in virtual discussions. Universities rely on digital communication tools, such as email, video conferencing, and online collaboration platforms, to connect students, faculty, and researchers and Digital literacy enhances academic writing and presentation skills. Students use word processing software for writing essays, research papers, and dissertations, as well as multimedia presentation tools for sharing their work.

1.3 Statement of the Problem

"Even though universities are paying more attention to improving students' digital literacy, students' digital literacy is low. Does students' digital literacy increase through experience?"

Digital literacy is very important for university academic activities. Ideally, digital literacy is very useful and used in the daily work of universities. According to the European Commission, many universities integrated technology into their teaching methods and curriculum to enhance learning experiences. This included the use of digital tools, online resources, and learning management systems. According to the Educause report the COVID-19 pandemic further accelerated the adoption of digital tools and e-learning platforms in universities.

Many institutions transitioned to online education, making digital literacy even more critical for both students and educators. Since universities and lecturers pay more attention to digital literacy. we think that the digital literacy of university academic students is also at a good level.

However, the reality is that the digital literacy of university students is low. Even though universities and lecturers pay more attention to digital literacy, the number of digital resources used by students for their academic activities is very low. A research paper published in *Computers and Education* found that while many university students were proficient in using social media and web browsing, their critical thinking skills regarding information evaluation, especially in the context of online sources, were lacking. A study published in the *Journal of Information Technology Education* found that while most university students were competent in using basic computer applications and tools, they lacked advanced digital skills such as data analysis, and cybersecurity awareness. However digital literacy is very important to students. According to Nuryadi and Widiatmaka, (2023a), the 21st-century demands represent the development of digital technology, including Data literacy, and the capacity to comprehend, analyze, and use data and information in the digital world. It is a compulsory competency among students in the 21st century. According to Shopova T, for university students, it

is necessary to have knowledge and skills in the field of digital technology to be able to use information effectively in its different forms (e-publications, online video, audio recordings, digital libraries, databases, etc.). Furthermore, students need to be able to work critically with the information resources that they find for their learning activity and have the competencies to handle independently resolving scientific issues in projects and studies.

The lack of digital literacy among students can have several significant consequences that affect their educational, personal, and professional lives. Students who lack digital literacy skills may struggle to find credible sources and reliable information, hindering their ability to conduct research and make informed decisions. Students who lack these skills may find it difficult to complete assignments, collaborate with peers, and use digital tools effectively. This could lead to lower grades and hinder their overall academic performance and Students without these skills may miss out on valuable opportunities for self-development.

This study aims to check whether students' digital literacy increases through experience. This can create a quality education in Sri Lanka. This research topic has been done in other countries. In Sri Lanka, the researchers also have not tested the connection of experiences in raising student digital literacy. However, they tested the factors affecting digital literacy in the

business field and healthcare industry. So, in my research, I hope to determine the connection of experiences in raising students' digital literacy.

1.4 Research Questions

Based on the above main problem, two sub-problems can be derived as research questions in the study and this study expects to fill this research gap by answering the following questions:

1. What is the Significant impact of Understanding Digital Literacy?
2. What is the Significant impact of using information on students' Digital Literacy?
3. What is the Significant impact of Finding Information on students' Digital Literacy?
4. What is the Significant impact of Creating Information on students' Digital Literacy?

1.5 Research Objectives

The following research objectives can be identified to find solutions for the research questions.

1. To identify the Significant impact of Understanding digital practices on students' Digital Literacy.
2. To identify the Significant impact of using information on students' Digital Literacy.
3. To identify the Significant impact of Finding Information on students' Digital Literacy.

4. To identify the Significant impact of Creating Information on students' Digital Literacy.

2. LITERATURE REVIEW

2.1 21st-century Teaching and Learning

Physical Education classes are just as crucial to students' growth as other school subjects, but they must be well-organized and planned, using them for both teaching and learning (Tiamvong, 2023). Institutions of higher learning are fully responsible for assisting students in becoming successful in the age of digital information. Microsoft's Vice-President, of Worldwide Education, Anthony Salcito said that to prepare the students for the 21st-century workforce, they are required to equip themselves with the necessary skills, particularly in critical and creative thinking, collaboration, communication, and computational thinking. Learning in the 21st century, a teacher needs to change their role to be a creator to facilitate students' learning, so that they can learn by doing and their learning would be created from their minds and brains (Schunk, 2012).

The rapid development of information technology, especially in the field of education, is what distinguishes 21st-century learning changes (Sulaiman & Ismail, 2020). For teachers and students to properly use internet-based digital media, they both need to possess ICT literacy skills, often known as digital literacy. The ability to find, consume,

work on, and produce digital content wisely and intelligently is referred to as digital literacy (Basantes-Andrade et al., 2020). For students to be successful in the future, literacy culture is seen as a critical ability in the twenty-first century. The present active student population, Generation Z, is very interested in digitization and has excellent digital abilities. To engage and meet the requirements of these students teachers need to incorporate digitalization into the way they teach (Sánchez-Caballé et al., n.d.). To access, use, and evaluate students' learning outcomes, teachers must also be skilled in using digital technology and communication tools. When using information technology for learning, they play a key role in supporting students to become responsible, critical, creative, and communicative. Schools have a crucial role in incorporating 21st-century skills into their teaching methods, including communication, teamwork, critical thinking, problem-solving, creativity, and innovation.

The Covid-19 pandemic has greatly affected the development of digital literacy skills in the 21st century. The spread of COVID-19 has prompted the closure of educational facilities all across the world. These universities' rapid development of online learning environments as a result of the closing aimed to ensure that instruction would not be disrupted. The facilities' capacity to respond was put to the test by the COVID-19 epidemic. with an issue involving remote and online assistance.

Since the majority are uneducated, it is important to look into the motivations for offering online lessons to students, which go beyond the time of shackles. Before the pandemic, the vast majority of kids had never engaged in distance learning. The virtual world has saved humanity after the COVID-19 pandemic decimated peoples' normal lifestyles around the planet. Schools, like many other organizations, have already shifted their emphasis to interactive networks for online learning. Over the past few years, various forms of e-learning and blended learning have emerged in schools. Although the technology has been around for a while, virtual classrooms have only recently gained popularity.

2.2 Teaching and Learning Difficulties during the COVID-19

With the increase of COVID-19, schools were quickly closed by the implemented legislation. This circumstance was successful in making educational history. It was necessary to upgrade its method of delivery and concentrate more on new technology (Alvarez, n.d.). The transition from traditional to virtual education has its difficulties, teachers were ill-equipped to handle the new demands. They lacked the tools and the information necessary to participate in the process (Daniel, 2020).

Both students and teachers have been compelled to adapt to a new technological process in education as a result of the abrupt change. The IT

infrastructure for online education was found to be lacking or insufficient (Pérez-Jorge et al., 2020). Regarding the digital infrastructure, teachers fall into a lot of difficulties. The teachers' experience with online teaching was limited, and they encountered a knowledge gap and a setting that was unsuitable for it (Baran & Correia, 2014). There should be access to technological infrastructure that supports teachers. The ability to connect to the internet and have the necessary tools would help in integrating technology into teaching (Adarkwah, 2021). Since the field of education lacks a strong IT infrastructure, efforts have been made to create technology that supports online educational ideas. Although there has been opposition to technology in education, because of the crisis, authorities now view technology in education differently (Kerres, 2020). Although there are many ways to distribute learning content in a typical learning environment, distant learning lacks the structure to foster this process. The challenge with online education is not just the technology, but also the educational principles that underpin it (Bartley & Gole, 2014).

Teachers have reported that the preparation for online lessons takes longer than the preparation for traditional lesson planning. It was established that the preparation and layout of instructional materials affected a teacher's efficacy (Pérez-Jorge et al., 2020). Online teaching is

claimed to be more laborious than traditional methods of instruction since it requires more time to prepare lessons, deliver them, and then assess students using digital tools (Fish et al., 2009). Teachers made use of their time by updating and uploading learning materials as needed in addition to conducting online learning. Since a variety of communication techniques have been used in online education, more time was spent on communication than in a traditional learning setting (Cavanaugh, 2005). As needed feedback is anticipated when teaching online. This takes a lot of time because each student's work needs to be downloaded, reviewed for areas that need improvement, commented on, and uploaded. It takes longer to write comments for every kid than it does to speak to them. In online education, the teacher's availability is anticipated 24 hours a day (Bair & Bair, 2011).

When teachers are motivated and equipped with the necessary knowledge and abilities, the quality of their instruction improves. As teachers employ innovative delivery strategies, students can improve their learning (Mohamad et al., 2015). Teachers and children had to face these challenges because they did not have digital literacy skills. Before COVID-19, only a very few people had digital literacy skills in Sri Lanka. Those who had digital literacy only had social media and basic searching skills. Due to covid-19, digital literacy has become a very important aspect for people. Especially

in the educational field, teachers and children felt the need for digital literacy skills.

2.3 Digital Literacy

According to Belshaw, n.d., The term literacy can be defined as mastering basic and useful skills that have the power to profoundly improve and modify a person's capacity for thought. Because new technological skills and knowledge are needed in technologically oriented workplaces, the need for learning by individuals, society, and educational authorities has become exceedingly complex in the 21st century with the arrival of new technologies and Web applications. Digital literacy has emerged as one of the key competencies in this age of technological innovation (Cisotto & Pupolin, 2018).

A much larger phrase was required to define this usage to encompass the expanding use of digital technologies. The most appropriate phrase to characterize this technological evolution was "digital literacy" because with the development of Web technologies and increased access to digital technology and the Internet, digital media was becoming the focal point of the "Next Generation." The term "digital literacy" was originally used by Glister in 1997, who described it as the capacity to comprehend and make use of information delivered via computers in a variety of formats and from a variety of sources (*Digital_Literacy*, n.d.). "Digital

literacy" is a type of literacy that entails learning and using certain knowledge, skills, attitudes, and personal traits as well as having the capacity to organize, carry out, and assess practical scenarios (Martin & Grudziecki, 2006). According to (Batcha et al., 2014) Digital literacy is the ability to find, organize, understand, evaluate, and analyze information using digital technology. (ISBN 9 7 8-8 0-2 7 0-0 5 3 0-7, n.d.) defined digital literacy as the ability to find, evaluate, utilize, share, and create content utilizing information technology and the Internet in his work titled 'Digital Literacy establishing the Boundaries and Identifying the Partners.' It is the assured and thoughtful application of knowledge and technological resources to advance academic, individual, and professional development. the term digital literacy is defined as an individual's ability to find and evaluate information, use this information effectively, create new content using this information, and share and communicate this newly created information using appropriate digital technologies (Reddy et al., 2020).

2.4 Experiential Learning Theory

In response to John Dewey's appeal for a theory of experience to guide educational innovation, ELT was developed to offer a theoretical underpinning for the practice of experiential learning (Kolb & Kolb, 2017). ELT is a compilation of the writings of those illustrious thinkers whose theories of human learning and

development placed a high priority on experience. William James, John Dewey, Kurt Lewin, Jean Piaget, Lev Vygotsky, Carl Jung, Mary Parker Follett, Carl Rogers, and Paulo Freire are referred to as the "foundational scholars of experiential learning" in this area of study.

Educators in higher education have utilized ELT learning style data in a variety of ways to improve teaching effectiveness and maximize student learning (Kolb & Kolb, 2017). Students started using inquiry, self-disclosure, conversation, and reflection to learn things about themselves as learners through self-directed learning.

2.5 Learning by Doing Theory

"Learning by Doing," which emphasizes the value of experiencing, hands-on learning in the educational process, is one of John Dewey's most well-known philosophies. According to Dewey's idea, learning is an active process that involves both thinking and doing rather than merely being a passive assimilation of information. He held the opinion that learning occurs most effectively when pupils are involved in worthwhile activities and have the opportunity to use what they have learned in practical settings. This strategy fosters analytical thinking, problem-solving abilities, and a greater comprehension of the material. Learning via doing, on the other hand, motivates pupils to experiment, explore, and learn from first-hand experiences. Learning becomes more interesting and

efficient when students engage in hands-on activities that allow them to relate concepts to actual circumstances. Since many educators and organizations now understand the need to incorporate experiential learning into their teaching techniques, Dewey's theories have had a significant influence on current education. To learn effectively, students must link their actions to their experiences and use reflective thinking to make sense of what they experience (Willingham, n.d.). These theories are linked to an individual's digital literacy and competence

2.6 Understanding Digital Practices

Understanding how to practice and utilize digital technologies effectively is an essential component of digital literacy (Pilav-Velić et al., 2021a). The ability to use digital technologies and interact with digital content is referred to as understanding digital practices. It includes a range of facets of how people use technology and the internet.

According to Tour (2017) understanding digital practices is crucial for enhancing digital literacy. By delving into the nuances of everyday digital literacy practices, researchers and teacher-researchers can fine-tune literacy for learning. This knowledge is essential for reshaping literacy learning. Insights from research on digital literacy practices can have significant implications for learning contexts, classroom practices, and teacher professional development. Understanding digital practices is

fundamental for advancing digital literacy and effectively integrating technology into educational settings. According to Pilav-Velić et al. (2021b) there is a positive relationship between digital literacy and digital practice. Research has shown that individuals develop digital skills through practice, which involves trial and error. This means that understanding digital practices can have a significant impact on improving digital literacy. According to Yazon et al. (2019), Students are quite literate when it comes to understanding the types of online users they might anticipate. What happens to the information people post online can be satisfactorily explained. Their ability to select the appropriate instrument to locate, utilize, or produce information is ordinary. Additionally, they have a limited awareness of how to promote themselves online, locate someone online, and use websites and online tools to obtain and record information online. Additionally, they acknowledged that they are extremely knowledgeable about determining who owns the ideas and material they acquire online and what online information they are legally permitted to reuse.

2.7 Using Information

The ability to successfully analyze, understand, and apply information to resolve issues, make choices, and accomplish specified objectives is referred to as information usage abilities. These abilities entail more than just finding information; they also entail comprehending, appraising, and

effectively applying the learned material (Schunk, 2012).

According to Spire et al., (2017), the impact of using information on digital literacy can be significant in various aspects. By enhancing digital literacy skills, individuals can effectively locate, consume, create, and communicate digital content. This proficiency enables individuals to critically evaluate information from diverse sources presented through digital mediums, contributing to informed decision-making and knowledge acquisition. According to Yazon et al. (2019), an evaluation of their information-using digital literacy by a faculty member. academic staff members are extremely adept at exploiting the information found online. This shows a lack of competency in using various media and determining the reliability and validity of their web source. Due to improper citation techniques, they can be utilizing other people's work while also committing plagiarism. They seldom ever keep track of the crucial information they discover online. They don't have much experience sharing and organizing information utilizing social bookmarking. Additionally, they might have shared files with others in an unauthorized manner.

2.8 Finding Information

Information Seeking, we now have access to a lot of knowledge because of the internet. We nearly have too much information to choose from, which is the issue. It might be challenging to

distinguish between accurate information, false information, opinions, and bias. Students need to know how to do reliable searches and then analyze the material they find.

According to Yazon et al., (2019), the ability of academics to obtain material online appears to be fairly good. Although they are quite knowledgeable about the types of material that may be found online, they are incompetent when it comes to using online libraries and complex search features. They are quite accustomed to using search terms and social media sites as information sources when looking for information online. According to (Kanjilal, n.d.) the ability to find information effectively is a crucial component of digital literacy. In the context of digital literacy, finding information skills impacts the overall competency of individuals in navigating the vast digital landscape, evaluating the credibility of sources, and utilizing information for various purposes. This skill is essential for individuals to keep up-to-date in the knowledge society and to engage in lifelong learning processes. Additionally, the integration of information literacy courses, which include finding information skills, can contribute to the development of digital information literacy skills in learners. According to (Julien, 2017), the impact of information finding skills on digital literacy is significant. Information finding skills are a crucial component of digital literacy as they encompass the ability to access, evaluate, and use digital information efficiently and

ethically. Individuals with strong information finding skills are better equipped to navigate digital environments, make informed decisions, and effectively utilize technology.

2.9 Creating Information

The ability to create fresh knowledge, content, or information is referred to as creating information. These abilities include originality, critical thinking, and the ability to synthesize knowledge in novel ways to produce insights, ideas, or artifacts. (battelleforkids.org).

According to Yazonet al., (2019), students are quite skilled at producing information. It suggests that individuals have trouble leaving comments on blogs, forums, or websites, as well as keeping up with proper netiquette and social norms for online discussions. According to Huvila, 2011, the development of information creation skills has a significant impact on digital literacy. By improving skills related to creating, organizing, and sharing information, individuals can enhance their ability to navigate and utilize digital resources effectively. information creation and organization as central aspects of being information literate can contribute to enhancing digital literacy skills.

3. METHODOLOGY

In this study research approach is deductive. Because I started the research based on the experimental

learning theory and learning by doing theory. After that, I developed my hypothesis and tested it. The research philosophy is Positivism. The research choice is a mono method. Because I only used a quantitative approach to collect data. I used a survey questionnaire to collect data. I used a cross-sectional study to collect data and analyze the data. Because we do have not enough time to do a Longitudinal study.

In this study Population is all the private and government university students in Sri Lanka. The study sample is 120 Undergraduate students from the University of Sri Jayawardhanapura, the University of Colombo and NSBM Green University. I Select my sample by using convenience sampling and snowballing sampling techniques. this study has been done by using primary data. The analysis was done by using the SPSS analysis tool.

3.1 Conceptual Diagram

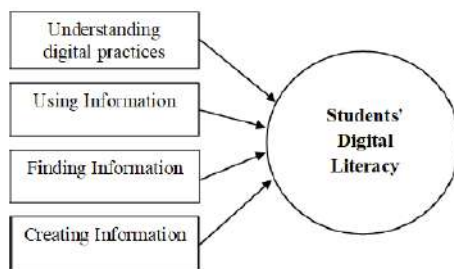


Figure 1: Conceptual Diagram

3.2 Hypothesis

H1: Understanding digital practices has a significant impact on Students' Digital Literacy.

H2: Using Information has a significant impact on Students' Digital Literacy.

H3: Finding Information has a significant impact on Students' Digital Literacy.

H4: Creating Information has a significant impact on Students' Digital Literacy.

4. RESULTS AND DISCUSSION

4.1 Background of the data

Variables	Frequency	Percentage (%)
<i>Gender</i>		
Male	52	43.3
Female	68	56.7
<i>Age</i>		
18 -20	9	7.5
21 -23	75	62.5
24 -26	34	28.3
27 -29	2	1.7
<i>Type of the University</i>		
Private University	80	66.7
Government University	40	33.3
<i>Academic Year</i>		
1st Year	15	12.5
2nd Year	18	15
3rd Year	23	19.2
4th Year	64	53.3

Table 1: The summary of the demographic variables.

In this study, there are 57% of female participation and 43% of male participation. Out of these participations 63% of participations in between the age of 21-23, 28% of participations in between the age of 24-26, 7% of participations in between the age of 18-

20, and 2% of participations in between the age of 27-29. For this study, I collected data from private universities and government universities. Of all the participants, 67% of participations in private universities, and 33% of participations in Government Universities. Of all the participations, 53% of participations in the 4th year, 19% of participations in the 3rd year, 15% of participations in the 2nd year, and 13% of participations in the 1st year.

4.2 Reliability Testing

Variable	Cronbach's Alpha
Understanding digital practices	0.908
Using Information	0.849
Finding Information	0.895
Creating Information	0.915
Students' Digital Literacy	0.917

Table 2: The summary of Cronbach's Alpha Values.

The Independent variable of understanding digital practices has 0.908 Cronbach's Alpha, the independent variable of using information has 0.849 Cronbach's Alpha, the independent variable of finding information has 0.895 Cronbach's Alpha, the independent variable of creating information has 0.915 Cronbach's Alpha and the dependent variable of student digital literacy has 0.917 Cronbach's Alpha. As per the table, Cronbach's Alpha value is more than 0.7. So, the questions are reliable and consistent. There I am proceeding with further analysis.

4.3 Background of variables

When considering the understanding digital practices questionnaire Most of the respondents are given “Agree” as the answer. That means the Respondents are competent in understanding digital practices. They are literate in knowing about how to Choose the right tool to find, use, or create information. They have a good idea about how to Use online tools and websites to find and record information online. They are quite literate in what online information they can legally re-use. Moreover, they admitted that they have Knowledge of categories of users they can expect to find online.

In the independent variable of using an information questionnaire, Most of the respondents are given “Agree” as the answer. That means the respondents are competent in Using Information. They are using information in different media. They have good Knowledge to Assess whether an online resource or person is credible and trustworthy. Most of the respondents used other people’s work without committing plagiarism. They know how to cite a reference to an online resource using the correct format. Respondents Keep a record of the relevant details of information they find online. They have a background in Using social bookmarking to organize and share information. Moreover, respondents have committed to legal procedures for sharing files with others.

In the independent variable of Finding information questionnaire, most of the

respondents are given “Agree” as the answer. That means the respondents are competent in finding information. They know what information they can find on the web and online Library. They are using advanced search options to limit and refine their search. Most of the respondents are familiar with using keywords to search for information online and using social networks as a source of information. They can filter large numbers of search results quickly.

When considering answers to the Creating Information questionnaire respondents are quite competent in creating information. It indicates that they find difficulty in adding comments to blogs, forums, or web pages, observing netiquette and appropriate social conventions for online communications. They do not write online for different audiences and different media for people to read on-screen. They know to communicate with others online and use media-capture devices. The respondents rarely work with others online to create a shared document or presentation.

When considering answers to the dependent variable of Students’ Digital Literacy Questionnaire Most of the respondents gave “Agree” as the answer. That means the respondents are competent in Digital Literacy. Most of the respondents are aware of various types of digital devices. The respondents have an understanding of digital literacy. Most of them are willing to learn more about digital technologies, they think that it is important for them

to improve their digital fluency and most of the respondents think that their learning can be enhanced by using digital tools and resources.

4.4 Coefficient Analysis

Variable	Significance
Understanding Digital Practices	0.712
Using Information	0.001
Finding Information	0.001
Creating Information	0.802

Table 3: The summary of the Coefficient table.

The independent variable of Understanding digital practices does not have a significant impact on the dependent variable of Students' Digital Literacy ($P = 0.712$, $P > 0.05$). Yazon et al. (2019), have found that understanding digital practices has a significant impact on teachers' Digital literacy. So, my findings and the study conducted in 2019 findings are different. It may be that the two were different because the sample and country were different. The study conducted in 2019, they have taken teachers as a sample. But in my study, I get students as my sample. Also, this study was done in the Philippines but my study is based on the Sri Lankan context. Furthermore, the study conducted in the Philippines did the research in 2019, which means before the COVID-19 pandemic. The COVID-19 pandemic affects the improvement of people's digital literacy. So, findings may change due to these reasons. (Tour, 2017), has found that understanding

digital practices have a significant impact on students' Digital literacy. So, my findings and the study conducted in the 2017 findings are different because the country was different. And also this study conducted in 2017, which means before the COVID-19 pandemic. The COVID-19 pandemic affects the improvement of people's digital literacy. Pilav-Velić et al., 2021b, have found that understanding digital practices has a significant impact on teachers' Digital literacy. So, my findings and the study conducted in 2019 findings are different. It may be that the two were different because the sample size and country were different.

The independent variable of Using Information has a significant impact on the dependent variable of Students' Digital Literacy ($P = 0.001$, $P < 0.05$). Yazon et al., (2019), have found that the use of information has a significant impact on students' Digital literacy. So, my findings and the study conducted in 2019 findings are the same. It may be that the two findings were the same because both the study's data were gathered from universities and both the countries where Sri Lanka and the Philippines have quite similar cultural backgrounds. Aramide, (2022) has found that the use of information has a significant impact on Digital literacy. So, my findings and the study conducted in 2022 findings are different. It may be that the two were different because the sample size and country were different. The study conducted in 2022, they have taken 193 individuals as a sample.

However, in my study, I got 120 individuals as my sample. Also, this study was done in Nigeria but my study is based on the Sri Lankan context. Furthermore, in the study conducted in 2022, they have taken school students as a sample. But in my study, I get university students as my sample. Spire et al., 2017, have found that the use of information has a significant impact on students' Digital literacy. So, my findings and the study conducted in 2017 findings are the same. It may be that the two findings were the same because the samples are the same.

The independent variable of Finding Information has a significant impact on the dependent variable of Students' Digital Literacy ($P = 0.001$, $P < 0.05$). Yazon et al., (2019), have found that the finding information has a significant impact on students' Digital literacy. So, my findings and the study conducted in 2019 findings are the same. It may be that the two findings were the same because both the study's data were gathered from universities and both the countries Sri Lanka and the Philippines have quite similar cultural backgrounds. Aramide, (2022) has found that the finding information has a significant impact on students' Digital literacy. So, my findings and the study conducted in 2022 findings are the same. It may be that the two findings were the same because both the study's data were gathered from students. Aramide's study was conducted in 2022, my study was conducted in 2023. That means both the studies conducted in recent years. So, findings may same due to

these reasons. Kanjilal, n.d. , has found that the finding information has a significant impact on students' Digital literacy. So, my findings and the study conducted in 2011 findings are the same. It may be that the two findings were the same because the sample is the same and this research was done in India so, both countries are Asian countries. Julien, 2017, has found that the finding information has a significant impact on students' Digital literacy. So, my findings and the study conducted in 2017 findings are the same.

the independent variable of Creating Information does not have a significant impact on the dependent variable of Students' Digital Literacy ($P = 0.802$, $P > 0.05$). Yazon et al., (2019) have found that the creation of information has a significant impact on students' Digital literacy. So, my findings and the study conducted in 2019 findings are different. It may be that the two were different because the sample and country were different. The study conducted in 2019, they have taken teachers as a sample. But in my study, I get students as my sample. Also, this study was done in the Philippines but my study is based on the Sri Lankan context. Furthermore, the study was conducted in the Philippines done the research in 2019, which means before the COVID-19 pandemic. The COVID-19 pandemic most affected the improvement of people's digital literacy. So, findings may change due to these reasons. Aramide, (2022) has found that Creating information has a significant impact on students' Digital literacy. So,

my findings and the study conducted in 2022 findings are the same. It may be that the two findings were the same because both the study's data were gathered from students. Aramide's study was conducted in 2022, and my study was conducted in 2023. That means both the studies conducted in recent years. So, findings may same due to these reasons. Huvila, 2011 , has found that the creation of information has a significant impact on students' Digital literacy. So, my findings and the study conducted in 2011 findings are different. It may be that the two were different because this research was conducted in 2011 it means before the pandemic. Mt research was conducted after the pandemic. And also, these two research conducted in two different countries and sample also different.

4.5 Model Summary

R	0.712
R Square	0.507
Adjusted R Square	0.490

Table 4: The Model Summary Table

The adjusted R Square value of this study is 0.490. that means 49% of changes in the dependent variable will be covered by independent variables. Aramide, (2022) had a 0.33 adjusted R Square value. That means 33% of changes in the dependent variable will be covered by independent variables. In my study adjusted R Square is greater than the adjusted R Square in the

Aramide study. because Aramide, (2022) used seven independent variables in their study. but in my study, I use only four independent variables. Usually, this value should be higher than 70%. But in my study, it is 49% only. Also, the study conducted in 2022 adjusted R Square is 33%. These results are correct. Because digital literacy is a very broad area. So, we cannot cover this broad concept by only four independent variables.

5. CONCLUSION

This study aims to identify the Significant impact between independent variables of understanding digital practices, Using Information, Finding Information, and Creating Information on the dependent variable of students' digital literacy. Based on the ANOVA findings of this study, the model that I prepared by using an independent variable as a whole, is a significant model. I measure the strength of the relationship between two variables by using correlation. According to the findings independent variables of understanding digital practices, Using Information, and Finding Information have a strong positive relationship with the student's digital literacy, and Creating information has a weak positive relationship. According to the finding of the coefficient, the independent variables of Understanding digital practices and Creating information do have not a significant impact on the dependent variable of Students' Digital Literacy. Also, independent variables of Using

Information and finding information have a significant impact on the dependent variable of Students' Digital Literacy. Based on the findings, the experience of using information and finding information has a significant impact on the students' digital literacy. Also, the experience of understanding digital practices and creating information does not have a significant impact on the students' digital literacy. That means the experience of understanding digital practices and the experience of creating information does not affect the student's digital literacy. However, the independent variables of experience of using information and experience of finding information positively affect the students' digital literacy. According to the findings, most of the respondents are willing to learn more about digital technologies, they think that it is important for them to improve their digital fluency and most of the respondents think that their learning can be enhanced by using digital tools and resources. So, universities can Offer educational and training programs, teach critical thinking skills to help people evaluate online information critically, organize workshops and community events, and provide access to online resources to enhance students' digital literacy.

5.1 Limitations and Future Research Directions

There are several limitations in this study. due to the time limitation, data were collected from a relatively small sample size, this study covered only

three Universities in Sri Lanka, and collecting quantitative data by way of a self-reported online survey in itself may be perceived as being biased. Further research could cover more universities in Sri Lanka and further research could be based upon a larger sample size and using an alternative method to data collection.

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Antecedents of Undergraduates' Intention to Pursue Forensic Accounting Studies in Sri Lanka

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ABSTRACT

Forensic accounting has been one of the most demanding topics recently, with the number of financial frauds and corruption increasing in developing countries. Forensic accounting education is also becoming increasingly relevant. This study aims to explore the antecedents of accounting undergraduates' intention to pursue forensic accounting studies in Sri Lanka. A questionnaire was deployed for Sri Lankan university undergraduates from both state and private universities. Prior to the questionnaire a pilot study was carried out by giving the questionnaire to 30 undergraduates to test the reliability and consistency of the survey instrument. The questionnaire consists of three sections, namely, the first to filter the participants and make sure they were suited to the current study; hence, the study used the purposive sampling technique; the second demographic questions; and the third, statements, to measure the construct of

the TPB model using a five-point Likert scale. The research approach used was the deductive approach since the study relies on a well-established theory. The findings of this study indicate that universities and higher education institutes should take measures to increase the level of confidence of students regarding the subject by integrating a compulsory course into the existing curriculum. The findings demonstrated obvious shortcomings in integrating forensic accounting, and the students have demanded more coverage of forensic accounting in their existing curriculum. The analysis result of Smart PLS demonstrated that the most influencing factors towards students' behavioural intention are perceived behavioural control and subjective norms; however, there is no mediation effect from attitudes on the relationship between awareness and intention in the context of the current study. The findings demonstrate to increase the level of knowledge by increasing the level of awareness through persons the

students look up to since subjective norms were found to have a significant influence on intention. This study adds to the current forensic accounting literature by focusing on students' perceptions regarding forensic accounting and the factors that drive their behaviour to study it in Sri Lanka, as the context has not been previously examined.

Keywords: Accounting Education, Forensic Accounting, Accounting Undergraduates, TPB Model

1. INTRODUCTION

Financial fraud has increased across the years as per stats of PwC fraud survey, and main reasons for this are the pandemic and advancements in technologies. Since forensic accounting is a tool to combat fraud, the demand for forensic accounting have also relatively increased. Forensic accounting has been found to give higher assurance compared to auditing. (Ebaid, 2022; Gray, 2008).

In Sri Lanka context, there is demand for forensic accounting but weaknesses in integration as per Rathnasiri and Bandara, 2018. The demand for Forensic accounting keeps on increasing and also the market was projected to grow by a CAGR of 8.8% and reach USD 11.68 Bn by 2031, but it was noted that in Sri Lanka, apart from the university of Kelaniya, no other university or higher educational institute provide forensic accounting as

a specialization (Md, Keshav, Pramod, Vineet).

Prior researchers have concluded that practitioners prefer Forensic accounting education in graduate and undergraduate levels, and in developing countries there exists a gap in integration compared to developed countries. There are very few prior studies in context of forensic accounting, and they have concluded that the most effective stage to integrate forensic accounting is at undergraduate level. But none of these studies have been carried out from the students' perspective. (Kramer et al, 2017; Ebaid, 2022; Rathnasiri & Bandara, 2018; Zeytinog̃lu & Anadolu, 2020).

Since the current study focus on student perspective and their intention to learn this new subject, the study will be using deductive approach, and the theory of planned behavior will back the study since it has been used by prior researchers to analyse student choices (Tang & Seng, 2016). This model originally consisted of four factors but could be extended by adding other factors influencing intention as well, hence the current study will stimulate awareness and extend the model and also test the mediating effect of attitudes towards the relationship of awareness and intention. Hence the current study's objective is to investigate the factors influencing the behavioral intention of accounting undergraduates in Sri Lanka to pursue forensic accounting studies. (Kazaure, 2019; Si et al., 2020; George.,

2004; Oztekin et al., 2017; Tang & Seng, 2016).

2. LITERATURE REVIEW

2.1 Definition of Forensic Accounting

A generally accepted definition for forensic accounting doesn't exist but many scholars and researchers have defined forensic accounting in many ways throughout the past. Forensic accounting has been defined by Kaplan et al (2022) as a type of accounting that investigates financial information to identify evidence that would probably lead to a crime. Forensic accounting mainly deals with fraud investigation and prevention and is equated with fraud examination or fraud auditing. DiGabriele & Huber (2015) points out that forensic accounting significantly interacts with auditing, finance, information systems, and law and is a challenging discipline. Supriya. H (2019) defines forensic accounting as the science that integrates the knowledge of finance, accounting, tax, and auditing to analyze, examine, and investigate matters in civil law, criminal law, and jurisprudence in order to uncover the truth and render an expert opinion. Adegbie & Fakile (2012) has identified forensic accounting as the process of integrating specialized knowledge to the evidence of economic transactions and reporting to the purpose of determining responsibilities and valuation of administrative proceedings. Upon the interpretations of

scholars above, it can be concluded that forensic accounting is applying the collected knowledge of accounting, auditing, statistics, research to investigate with the intention of solving a legal problem or a potential corruption, bribe or fraud that may cause as a result of a financial transaction.

2.2 Demand for Forensic Accounting

Leaders in the accounting profession began to insist accounting instructors offer forensic accounting education shortly after publicly reported financial scandals such as Enron, WorldCom, HealthSouth, etc. current research has found that the scope of forensic accounting education has significantly expanded consequently as a result of the increase in forensic accounting services, forensic accountants, and forensic accounting education (Tiwari & Debnath, 2017). Several universities now offer forensic accounting as a stand-alone course, and many universities offer it as a specialized degree as reported by Kramer et al., (2017). It is clearly visible that in specific contexts around the world, the number of forensic education programs have increased. Alshurafat et al. (2019) has reported that in Australia, the number of universities teaching forensic accounting have increased and Seda & Kramer (2014) reports that universities in the states of America and international accounting have also increased the availability of forensic accounting education programs.

2.3 Need for Forensic Accounting Education

Many research investigations have been conducted on the importance of forensic accounting education that would give students the necessary skills to practice the forensic accounting profession. Melancon (2002) have believed that students will be better consultants, auditors, and managers after studying topics such as document examination and public record searchers, which will be provided in fraud education, and this will benefit both students and employers. Seda & Kramer (2008) have pointed out that the financial accounting and auditing courses that universities offer do not include any fraud-specific education that would be effective in combating fraud. Chukwu et al (2019) have cited a study that surveyed a sample of auditors and concluded that it is mandatory to add forensic accounting courses to the accounting curriculum. Okoye et al (2020) have suggested that the universities providing accounting programs develop a standalone course for forensic accounting at the bachelor's level in order to provide the students with the skill and knowledge to identify fraud and corruption practices. It is believed that incorporating contemporary forensic accounting techniques into accounting and auditing is crucial to effectively address the challenge of exposing sophisticated fraud schemes that result from failures in detecting fraud by auditors.

2.4 Gap in Forensic Accounting Education

For students to integrate accounting knowledge with other interdisciplinary fields such as litigation support and fraud investigation, the knowledge gained through accounting and auditing courses are not adequate (Kresse, 2008). Ebaid (2022) have mentioned that there still exists a gap in developing countries where the supply of foreign accountants through universities is not merely in line with the number of forensic accountants demanded. Research to examine whether Malaysia is preparing its undergraduates to potential fraud was conducted by Teik et al (2013) by exploring the students' perception by selecting final year accounting students who are in well-established institutions. Their results found that current accounting degrees and programs won't provide sufficient forensic accounting skills and the traditional accounting curriculum devotes only a very little time on fraud education, and students from both private and public university agree with this fact. A study has been carried In the Sri Lankan context (Rathnasiri & Bandara, 2018), they surveyed academic practitioners in the accounting field to reveal the current coverage of forensic accounting education in Sri Lanka and its future direction. The results of the survey have shown there is a growing demand for forensic accounting in Sri Lanka, but there is a weakness in forensic accounting education.

2.5 Theory of Planned Behaviour

In 1967, Fishbein and Ajzen developed a theory named the Theory of Reasoned Action, focusing on the intention, perception, behavior, and outcomes of an individual. The theory of reasoned action states that the most appropriate determinant of behavior is behavioral intention. In 1991, Ajzen expanded this theory further to be called the Theory of Planned Behavior (TPB). The Theory of Planned Behavior (TPB) is one of the most widely applied models to assess and understand human behavior, predicting environmentally responsible behavior and is also crucial to understanding individuals' knowledge-sharing behavior. Three conceptually separate variables and direct dimensions that influence behavioral intention of individuals are primarily suggested by this model. These three prominent components are attitude toward the behavior, subjective norms, the social pressure on whether or whether to not perform the behavior and perceived behavioral control on engaging to complete the behavior. Apart from these three determinants, which come along with the original planned behavior theory, many researchers have agreed that other factors can be amalgamated into the theory and extend the framework on factors that can influence the behavior of an individual. It is also a major perk of this model to be amenable to incorporate extra variables pertaining to any particular context of behavior and facilitates further development of the model. A cognitive element called

awareness has been incorporated into the model in addition to the three original variables, in order to measure the intention to pursue forensic accounting studies. Researchers such as (Ahmed et al., 2020; Kazaure, 2019; Heidari et al., 2018) have used awareness as a construct in their studies to extend the TPB model, and tested how it changes the impact on the behavioral intention leading actual behavior.

3. METHODOLOGY

3.1 Research Design

This is where the foundation is laid to ensure the research is in line with all the ethical principles. The research philosophy adhered is positivism where the study is backed by a solid theory (Ebaid, 2022). The research approach is deductive where the study will be testing an already existing theory by developing hypothesis (Najimi et al, 2022). The research choice is mono method where only a single data collection method is followed, the strategy will be utilizing survey to collect data and the time horizon will be cross sectional where data will be collected over a limited timeframe and a specific time horizon as done by Ebaid, 2022 in their research as well.

3.2 Population and Study Sample

Hence prior literature has cited the undergraduate level is the effective stage to integrate forensic accounting and also there are conclusions that due

to the demand increment universities should be prepared to provide forensic accounting courses. Therefore, the population will be accounting undergraduates. (Nicolae & Diana, 2017; Efiog, 2012)

The study sample will be third- and fourth-year undergraduate accounting students. The reason for favoring these two years is due to their level of knowledge and readiness of the respondents is high compared to first years and more likely have higher appreciation of the course of study and reality of employment. (Nicolae & Diana, 2017; Efiog, 2012)

The sample size was not predetermined prior distributing the research instrument due to the study implementing purposive sampling method, and the target population was selected by using three filtering questions to check the relevancy to contribute to the current study. (Ebaid, 2022).

3.3 Sources and Collection of Data and Data Analysis Strategies

The study use primary data, collects data through deploying a questionnaire for third and final year accounting undergraduates as done by prior researchers, and analyze the data by both SPSS to analyze demographic data and Smart PLS 4 to test the six hypotheses connecting through awareness, attitudes, norms, behavioral control and intention, since Hair et al. (2012) have proposed that it is more

suited and has a greater prediction power than covariance SEM when the theoretical model developed by the researcher is exploratory or expanding. (Hair et al. 2012; Ebaid, 2022)

3.4 Hypothesis Development

3.4.1 Attitudes towards forensic accounting on intention to study forensic accounting.

Attitude (AT) in the Theory of Planned Behavior Model refers to the degree to which an individual has a desirable or undesirable evaluation of behavior. Dalci et al (2013) found that students can choose their field of study if they feel it matches their talent and they are genuinely interested about it, Tang & Seng (2016) mentioned students are more likely to select a field of study that would enable them to earn a high income where the decision of choosing a major will be altered based on the potential for earnings, Zandi et al (2013) stated that attitudes hold an important influence on the behavioral intention of male and female university students to enroll themselves in accounting programs, Saputra (2019) cited that attitude can be either negative or positive based on the teaching methods and techniques, If the students following accounting receive positive information regarding accounting, they will be encouraged and grow a positive attitude toward studying accounting, whereas if negative information is received, they will be discouraged. The attitudes of accounting students toward forensic accounting will also depend on

and influence their intentions hence forensic accounting comes under the accounting curriculum. In line with this, for the context of the current study the following hypothesis is proposed:

H1: Attitude towards forensic accounting will have an impact on the intention to study forensic accounting.

3.4.2 Subjective Norms towards forensic accounting on intention to study forensic accounting.

Subjective Norms (SN) are the result of the influence of other referents, where a person or someone close to them expects that behavior to be performed, the subjective norm will influence their intention to perform the behavior. Previous studies point out that the student's decision to major in accounting, and decisions of male and female college students to enroll in accounting programs is influenced by subjective norms (Zandi et al., 2013). Paolillo and Estes (1982) have stated that the influence from peers and parents is less significant whereas Mauldin, Crain, and Mounce (2000) have states in their findings that parents will make a significant influence on students' decision in major accounting. Tan & Fawzi (2006) have concluded that parents will make a major impact on the decisions of students in majoring accounting. Malgwi, Howe, & Burnaby (2005) have concluded that friends and high school teachers will make a lower influence over students' decisions. Goh & Scerri (2016) have mentioned that course instructors, faculty members,

parents, and career advisors, can influence the study patterns of accounting. Since forensic accounting is a form of accounting and falls under the accounting curriculum, these social groups can impact the behavioral intention of a student towards pursuing to study forensic accounting. When considering the prior arguments made by researchers that subjective norms have a significant impact over student choices and some researchers mentioning that it does not make much of a significant impact, The current study has considered the authors claiming subjective norms will influence the behavioral intention, and upon that formulating the below hypothesis:

H2: Subjective Norms will impact the undergraduates' intention to study Forensic accounting.

3.4.3 Perceived Behavioural Control towards forensic accounting on intention to study forensic accounting.

Perceived Behavioral Control (PBC) refers to the confidence of an individual to perform a specified behavior. Lin and Fawzi (2006) mentioned students have individual control that influence their decision over selecting an accounting subject to learn. Arifatul Husna et al (2010) stated the factors affecting a student's behavior when selecting accounting are confidence, ease, education, skills, and capabilities also mentioned that when college students are choosing an accounting program, they will assess issues such as

opportunities, resources, impediments, and obstacles. Before enrolling, students will examine the resources. The possession of resources will encourage them to enroll in accounting programs. Afterwards, they will analyze the opportunities that will be opened after enrolling in an accounting program. Accordingly, the students will also look into the obstacles and impediments they will have to face after choosing accounting programs, and if the limitations and challenges are too crucial, they will be discouraged from enrolling; conversely, if they are confident, they will enroll themselves (Gainau, 2021). As per the prior research the main force driving the student's decision regarding to select an accounting major is the perception of the student regarding accounting. Tan and Laswad (2006) cited that the student's decision is heavily influenced by how they see the accounting profession. A much high likelihood of choosing an accounting degree is indicated by the positive impression conveyed by the accounting profession. vice versa the negative will operate in the opposite manner. Considering prior research, to test whether there is a similar influence on the perceived behavioral control of students towards studying forensic accounting, in the current study's context it is speculated that:

H3: Perceived Behavioural Control will impact the undergraduates' intention to study Forensic accounting.

3.4.4 Awareness about forensic accounting on intention to study forensic accounting.

As stated by Si et al. (2020), when examining the intention of a certain person's behavior, the person's awareness of the consequences of refusing to perform should be considered. Kazaure (2019) states that awareness can be considered as knowing, perceiving, feeling, or being conscious of what is happening in their immediate environment. The study shows that even though people have the willingness to purchase insurance, a lack of awareness (AW) may lead to a lack of intention to accept insurance products. They conclude that awareness is a stimulant of attitude, subjective norms, and perceived behavioral control. The intention to study forensic accounting is conceptualized as a variable that is influenced by awareness in the current study. Several studies have found a significant relationship between awareness and intention. (Ali et al., 2018; Vizano et al., 2021; Maloney et al., 2014). Based on the discussion above, the current study hypothesizes:

H4: Awareness will impact the undergraduates' intention to study Forensic accounting.

3.4.5 Awareness about forensic accounting has an impact on attitude towards forensic accounting.

Maloney et al (2014) cited that awareness and knowledge influences

attitude of consumers in their research of testing the consumer willingness to purchase organic products. they also state that lacking awareness could eventually lead to a negative attitude towards a product, which could reduce the likelihood that someone purchase. Tanner & Kast (2003) reported that awareness is needed to establish an acceptable attitude and action related awareness was a predictor for green purchasing behaviour in their research. Ogunmokun and Timur (2020) have revealed that a major problem limiting the publics positive reactions to an organizations CSR activity is having a limited awareness on the organizations CSR initiative. They mentioned that an increased awareness of CSR activities will influence the attitude of the individual towards the organization. Specifically, an undergraduate's attitude towards pursuing forensic accounting can also be shaped by the level of awareness of the individual about the specific field of study. As discussed by much prior research, attitude may be based on their awareness of the consequences of things such as the existence of future career paths, job opportunities, earning capacity etc. Upon the afore mentioned literature, the current study postulates that:

H5: Awareness will impact the undergraduates' attitudes towards studying Forensic accounting.

3.4.6 The role of attitudes towards the intention to study forensic accounting as mediating variable.

Many prior studies have examined the relationship between the two variables, attitudes and intention. Even though there is much research that has studied the relationship between these two variables, Pratama et al. (2023) mention that only a limited amount of research exists where attitudes have been conceptualized towards using Halal products (the intention variable) as a mediating variable in the context of awareness and intention to use. In their study, they conceptualized attitudes as the mediating variable, expecting to obtain a detailed explanation of the relationship between the two variables, awareness and intention. The awareness variable used is halal brand awareness and the intention to purchase. They have mentioned that individuals who are aware of halal brands may not have a high intention to purchase, but if they have the attitude, they will proceed to do so. A similar study has been conducted to test the consumer willingness to purchase organic products by Maloney et al. (2014), where they mentioned that attitude is directly influencing the purchasing intention and awareness is indirectly influencing the intention through attitudes. With regard to the theoretical explanation and the regularity influence between the variables, the current study proposes a hypothesis.

H6: The impact of awareness on the intention to study forensic accounting is mediated by attitudes.

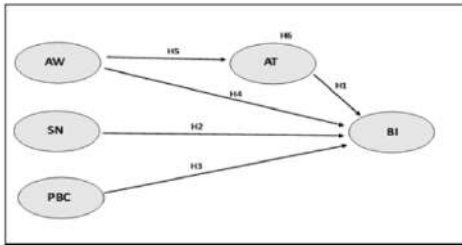


Figure 1. Conceptual Framework

AW – Awareness

AT – Attitudes

SN – Subjective Norms

PBC – Perceived Behavioural Control

BI – Behavioural Intention

4. DATA ANALYSIS AND RESULTS

4.1 Data Preparation, Presentation, Cleaning and Transformation

Prior to distributing the questionnaire, a pilot study was conducted by giving the questionnaire to 30 undergraduates to test the reliability of the survey instrument, and the results of the pilot study concluded that the questionnaire is reliable and consistent as elaborated in Appendix, Table 4. Hence the researcher moved forward with the same questionnaire. As per Sekaran (2003), measuring consistency and stability is important. To produce unbiased and meaningful information the study distributed the questionnaire as a google form among undergraduates since the sample size was not pre-determined. Within the limited time frame, the researcher was able to collect a total of 241 responses. It was determined that the data sampling technique is purposive sampling, that is,

by filtering the relevancy of the participants to meet the defined criteria. Out of the 241 responses, 31 responses, which is 13% of the total population, did not meet the specified criteria, so the researcher excluded those responses from the final analysis and moved forward with the remaining 87%, which is a total of 210 responses for the purpose of analysis because after closely monitoring the researcher didn't find any missing values neither error.

4.2 Descriptive Statistics of the Demographic Profiles

The total number of male respondents was 111, which is 52.9% out of the total respondents, whereas the number of female respondents was 99, which is 47.1% out of the total respondents. A significant portion of respondents are between the ages of 20 and 25, which is 90% of the total. 71 respondents (33.8%) were third-year undergraduates, while the remaining 139 (66.2%) were fourth-year undergraduates. The main reason for this is that the questionnaire was initially distributed among and was more focused on fourth-year undergraduates to collect more accurate information since their level of awareness regarding the accounting curriculum is comparatively higher than that of third-year undergraduates.

4.3 Measurement Model Evaluation

As explained by Moran (2021), the general thumb rule of Cronbach's alpha is that 70 or above is good, 80 or above

is better, and 90 or above is best. Simply put, the closer the value to 1.0, the better the reliability. Table 1 (*Refer Appendix*) shows Cronbach's alpha value in each variable is above 90, which is the best and most highly reliable, as mentioned by Moran (2021), and is internally consistent. The general thumb rule of composite reliability is to exceed 0.7 and as shown in Table 1 (*Refer Appendix*) all variables are reliable. The AVE (acceptable variance extracted) needs to be higher than 5.0 for adequate convergence. As shown in Table 1 (*Refer Appendix*), the AVE for all the variables is higher than 5.0. In conclusion, upon relying on the data presented in Table 1 (*Refer Appendix*), it is possible to declare that the variables under consideration are reliable and valid.

4.4 Discriminant Validity

Discriminant validity refers to evaluating constructs that, in theory, ought not to be connected but are in fact unrelated. To test discriminant validity, the researcher used the Fornell-Larcker criterion. This is satisfied when the correlation between the latent variables is greater than the square root of the AVE of each latent variable. As shown in Table 2 (*Refer Appendix*), the Fornell-Larcker outcomes, it is clear that the results of AT = 0.876, AW = 0.924, BI = 0.895, PBC = 0.829, and SN = 0.941 are more significant statistically and higher than the correlation values of all other items that are not in bold. Hence, can be concluded that each

variable has sufficient discriminant validity.

4.5 Structured Model Evaluation

The model in Appendix is the inner and outer model indexed by Figure 2. This shows how one variable being influence on another variable. It shows coefficient between SN and BI is 0.316, PBC and BI is 0.451, AW and AT are 0.668, AW and BI are 0. The model fitness to the study is depicted as 0.681 which is 68 as a percentage.

4.6 Hypothesis Decision

As per the information in Table 3(*Refer Appendix*), for the first hypothesis (H1) it is observable that the T statistic is less than 1.96 and the P value is greater than 0.05; hence, when applying the general thumb rule, the first hypothesis shall be rejected since it is insignificant and shows that attitudes towards forensic accounting shall not impact the behavioral intention of undergraduates to study forensic accounting. The second hypothesis (H2) is accepted and supported by the thumb rule, with the T statistic being greater than 1.96 and the P value being lower than 0.05 which indicates a statistically significant and positive influence on the relationship among subjective norms and behavioral intention. The third hypothesis (H3) seems to be the most significant hypothesis, according to the information in Table 3 (*Refer Appendix*), The T statistic of this hypothesis is the highest among all other hypotheses, indicating that perceived behavioral control is the

construct that mostly influences the student's perception towards studying forensic accounting, meaning their self-confidence about their ability to study forensic accounting. Hence, this hypothesis is also accepted, being statistically significant, and the measure T is static, and the P value is aligned with their respective thumb rules. The fourth hypothesis (H4) is also not significant due to the T statistic is 0.823, which is lower than 1.96, and the P value is 0.411, which is higher than 0.05. Hence, it was concluded that awareness will not impact the intention in a forensic accounting context, and the hypothesis is rejected. The fifth hypothesis (H5) was the highest T-statistic in Table 1 (*Refer Appendix*) and higher than the perceived control. But this influence shapes only the attitude and not the intention. The T statistic is 18.509 and the P value is less than 0.05, where the hypothesis is accepted that awareness will impact attitudes and is concluded to be significant. The final hypothesis (H6) is regarded as insignificant and is rejected, concluding that attitudes will not mediate the relationship between awareness and the intention to study forensic accounting due to the T static is 1.562, which is less than 1.96, and the P value is 0.118, which is also lower than 0.05. To further support this conclusion about the nonexistent mediating effect, Figure 3 (*Refer Appendix*) is used, which is the model developed by Zhao et al. (2010) to analyze the role of the mediator in the PLS-SEM approach. Referring to this model, firstly, it needs to be determined

whether P1 and P2 are significant, which means that in the current study context, the relationship between awareness (AW) and attitudes is P1 and the relationship between attitudes (AT) and behavioral intention (BI) is P2. This relationship is not significant as per the details in Table 3 (*Refer Appendix*) and moves on as not significant. The next question is if P3 is significant, which in the current study context refers to awareness (AW) and behavioral intention (BI) being P3. With reference to Table 3 (*Refer Appendix*), this relationship is also not significant, so it moves on as a no and concludes that there is no mediation effect.

5. DISCUSSION AND CONCLUSION

5.1 Discussion of Findings

The findings showed that attitudes don't influence intention and this is in line with Isnanda & Nurmala, (2022) where they have concluded that attitude doesn't significantly influence the intention and subjective norms and perceived behavioral controls are more significantly influencing than attitudes. The main reason for this attitude having different levels based on the intensity from highest to lowest. The findings have also showed that Perceived behavioral controls and subjective norms influence the intention where Zandi et al. (2013) and Goh & Scerri (2016), who have also cited that subjective norms influence the students' decisions to enroll in accounting programs and that parents and friends

will have a significant impact on the student's decision to major in accounting and Arifatul Husna et al. (2010) have mentioned that education, skills, and ease will affect their behavior when selecting accounting respectively. The current study findings shows that awareness will not influence intention and this is inline with Azzari & Pelissari, (2020) who have cited that a strong and famous brand name will not always be a reason for people to be influenced to perform the particular behavior due to characteristics such as high prices, variations, and reviews may also influence the purchase intention apart from brand awareness. The current study findings also shows that attitudes are influenced by awareness, which is inline with Tanner & Kast (2003) who cited that awareness is necessary to establish an acceptable attitude. Unfortunately, the current study concluded that there is no mediation effect of attitude towards the relationship between awareness and intention and this is also in line with Hameed & Qayyum, (2018) who have used attitude as a mediator to test mobile learning in Pakistan and concluded in their study that attitude does not act as a mediator, and the reason is that mobile phone learning is still at the embryonic stage in Pakistan hence its people do not consider it an appropriate learning mode, where as the same could be said to forensic accounting since it still being new to developing countries such as Sri Lanka, Bhutan, Afganistan, Bangladesh.

5.2 Conclusion

This study aimed to explore the antecedents of undergraduates pursuing forensic accounting studies in Sri Lanka as one of the developing countries and from the perspective of university undergraduates. Relying on a sample of accounting undergraduates from Sri Lankan universities, the study aimed to achieve the objective of investigating the factors influencing the behavioral intention of accounting undergraduates in Sri Lanka to pursue forensic accounting studies. Accordingly, there were six specified objectives: to investigate whether attitudes, subjective norms, perceived behavior control, and awareness impact the intention to study forensic accounting. To investigate whether awareness impacts attitudes and whether attitudes mediate the relationship between awareness and the intention of undergraduates to study forensic accounting, and all the desired objectives were achieved upon completion. As for implications, higher education institutes can use key personalities to create awareness among students regarding forensic accounting since the results showed that subjective norms will influence intention significantly. Also, they can implement preliminary courses to students and beginner level to create awareness, which will boost the level of confidence which can also influence them to major forensic accounting in the future since the results also showed that perceived behavioral control will significantly influence intention. The sustainable

development goals four and eight are also accomplished since integrating a new module will increase the quality of education as well as forensic accounting being a tool to combat fraud, and emerging forensic accountants will work towards mitigating fraud which will result in an economic growth. As for limitations, the study has only tested the factors that influence the behavioural intention which could change with actual behaviour, the study only focus undergraduates, however there are other stages, such as master's and PhD, the study relies on construct of TPB model, however there are other factors. As for directions for future researchers, they are able to add other constructs to the TPB model which will influence the intention of the undergraduates. Graduates can be selected as the sample, and also, they could test the perspective of forensic accounting profession and professionals.

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Factors Affecting the Adoption of Electronic Tax System on Tax Compliance Behavior Among Sri Lankan Individual Tax Payers

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ABSTRACT

This broad image of the study is to identify the factors that affects the adoption of electronic tax system on tax compliance behavior in the context of Sri Lankan individual tax payers. This study analyses the factors of attitudes towards the tax compliance behavior, adoption of electronic tax system and isomorphic forces as to whether there is any significant relationship between the mentioned variables and tax compliance behavior of individual tax payers in the country..

Keywords— Electronic tax system, tax compliance, positivism, isomorphic forces

1. INTRODUCTION

A system where individuals and businesses pay money to the government to fund its operations and

services is named as tax. This is a compulsory financial charge imposed upon a tax payer by a government in a particular territory. (Taxation, n.d.) The reasons why governments collect taxes are to fund public expenditure, achieve economic goals like manipulating aggregate demand levels, redistribution of income and create a more equitable society. (Taxation, n.d.) Moreover, in the context of Sri Lanka it was documented that most tax payers in Sri Lanka have rated that tax administration system is very weak due to complexity in understanding of tax laws, complexity in tax return submission procedures. (Jayawardane, D., & Low, K.2016) Not only that but also Sri Lanka has a very dynamic tax system where tax rates and compositions will change frequently. Sri Lankan experiences suggest that governments run by parties in the left of centre politics have mobilized and supported higher tax levels and more progressive tax systems than those run

by parties in the right of centre. (Wd, 2017)

The research objectives of this research are to Identify the significant impact of attitude towards electronic tax system on tax compliance behaviour among individual tax payers, identify the significant impact of electronic tax adoption on the tax compliance behaviour among individual tax payers, identify the significant impact of isomorphic forces on the tax compliance behaviour among individual tax payers.

When it comes to taxes, the reasons why governments collect taxes are to fund public expenditure, achieve economic goals like manipulating aggregate demand levels, redistribution of income and create a more equitable society. (Taxation, n.d) In the context of Sri Lanka it was documented that most tax payers in Sri Lanka have rated that tax administration system is very weak due to complexity in understanding of tax laws, complexity in tax return submission procedures. (Jayawardane, D., & Low, K.2016) Not only that but also Sri Lanka has a very dynamic tax system where tax rates and compositions will change frequently. Sri Lankan experiences suggest that governments run 9 by parties in the left of centre politics have mobilized and supported higher tax levels and more progressive tax systems than those run by parties in the right of centre. (Wd, 2017)

Many research can be found with respect to electronic tax system adoption and tax compliance behavior in developing countries. In Sri Lanka also it needs to

improve tax compliance among tax payers as now e-tax system also implemented in Sri Lankan tax culture. As such, this research will aim at filling this gap of research, within the Sri Lankan context.

2. LITERATURE REVIEW

2.1 Electronic tax system and tax compliance

According to (Sadress et al., 2019) electronic tax system is a system which enables positive evaluation in tax payment for individual tax payers such as convenience in time, place and limited movements to tax authority premises. As per the findings, through tax authorities, governments wish to improve tax compliance via tempering tax payers about the benefits of electronic tax systems which positively change tax payer's attitudes towards adapting with electronic tax systems and thereby complying with respective tax laws and regulations. (Sadress et al., 2019).

2.2 Attitude towards e-tax system and tax compliance

Previous studies documents the relationship between tax payer attitudes and tax compliance as that attitude towards electronic tax system is a significant predictor of tax compliance. It explains that based on the questionnaire results collected among small business enterprises in Uganda the attitude towards electronic tax system contribute to tax compliance to the extent of 57.4%. (Sadress et al., 2019)

The study conducted among small and medium enterprises in Kitui country has concluded that online tax registration has a significant impact on the tax

compliance. (Mwangangi, A. K., & Momba, F. M. 2022). Also it concluded that it is more expensive to do manual filing of tax returns than an online filing and accessing online payments during due dates is very hectic as server downtime makes online payments a nightmare.

2.3 Adoption of e-tax system and tax compliance

Much as consumers may be more aware of the e-tax services and benefits, if they do not have enough training, then the usage of these e-services still remain low. (Maiga & Asianzu, 2013) As per the findings of the study, (Maiga & Asianzu, 2013) the training has a significant impact on perceived usefulness and hence government intending to offer e-services need to address training needs of the consumers which will ultimately full fill the implementation of e-tax services as this is a main barrier for e-tax adoption.

In addition, another study has proven that adoption of electronic tax system such as online tax registrations, online tax filings and online tax remittances have a significant positive impact towards tax compliance which implies that the mentioned e-tax adoption methods significantly improve the compliance with tax laws and regulations. (Muturi, H. M., & Kiarie, N.2015).

2.4 Isomorphic forces and tax compliance

Isomorphic forces are pressure that compel an organization to adopt institutional practices prevailing in the environment. These institutional pressures may exist at the individual level also. (Scott, W. R. 2008)

As per the findings of (Sadress et al., 2019) it has found that isomorphic forces support organizations in attainment of legitimacy which is important for their survival. As per the finding documented, it has found that there is a strong relationship between isomorphic forces and tax compliance where strengthening isomorphic forces focus tax payers to comply with tax laws and regulations. (Sadress et al., 2019)

Next, another study has documented that adoption of e-tax systems and isomorphic forces simultaneously influence enforced tax compliance. (Manalu, P. O., Kusumastati, W. W., & Safiq, M. 2021) It also has found out that reinforcement of isomorphic forces will push tax payers to fulfill the tax obligation and increase the compliance with tax laws and regulations. (Manalu, P. O., Kusumastati, W. W., & Safiq, M. 2021).

3. METHODOLOGY

3.1 Research Design

In this research the researcher uses quantitative design in order to identify the factors affecting electronic tax adoption on tax compliance behaviour in Sri Lankan tax payers and hence will consist of a rigid, and well laid out procedure of research, and formal.

3.2 Conceptual Diagram

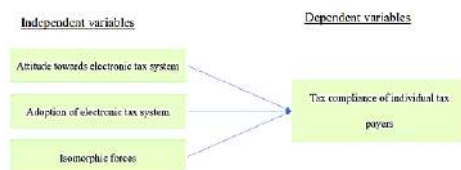


Figure 1. Conceptual diagram

3.3 Review of data collection

The study’s target population all the individual tax payers in Sri Lanka. Sri Lanka is consisting with 9 provinces and the largest province is Western province. It has 3 main cities named Colombo, Gampaha and Kalutara. (Sri Lankan Ministry of Education, 2023). Sri Lanka’s largest commercial city is Colombo and it has the most popular attraction of people.

Not only that but also Colombo is the financial centre of the Island. (Tripadvisor , 2023) According to (Press Trust of India, 2022), due to the sweeping tax cuts in2019, Sri Lanka has lost around 10 lakh tax payers from 2019 to 2022. With samples of prior research ranging from minimum of 20 individuals to over 281 individuals (Sadress et al., 2019), (Night & Bananuka, 2019), (Odongo, R. O. (2016) this research shall utilize a sample size of 101 individual taxpayers in Sri Lanka. In order to determine the sample size Morgan table has been used by the researcher.(Krejcie & Morgan, 1970)

Does attitude towards an electronic tax system has a significant impact on tax compliance among individual tax payers?	
Data	Quantitative
Primary	Questionnaire
Secondary	Journal articles and IRD published data sources
Does adoption of tax system has a significant impact on tax compliance among individual tax payers?	

Data	Quantitative
Primary	Questionnaire
Secondary	Journal articles and IRD published data sources
Do isomorphic forces has a significant impact on tax compliance among individual tax payers?	
Data	Quantitative
Primary	Questionnaire
Secondary	Journal articles and IRD published data sources

Table 1 - Sources of Data

3.4 Discussion

According to the results presented by the research via the quantitative study, there is a significant relationship between the attitude towards electronic tax system and tax compliance on Sri Lankan individual tax payers. This ultimately means that when there are positive attitudes among the tax paying individuals about the electronic tax system, then the tax payers persuade more to pay taxes and thereby the tax compliance level will be impacted positively.

Corresponding to the results of the research conducted, the adoption of electronic tax system on tax compliance behaviour plays a significant role as the system is easy to use, customizable, user friendly, provides range of services, convenient, thus the voluntary adoption of tax payers’ increase the tax compliance. (Bharti Motwani, 2015). This will support the findings of this research as the adoption of electronic tax

system has a significant impact on the tax compliance behaviour of tax paying individuals.

According to the results of this research it has revealed that there is no any significance relationship between isomorphic forces and tax compliance behaviour in Sri Lankan tax paying individuals. This is contradictory with the findings of the prior researches which have been documented that there is a strong relationship between isomorphic forces and tax compliance where strengthening isomorphic forces focus tax payers to comply with tax laws and regulations. (Sadress et al., 2019).

4. CONCLUSION

This study aims to investigate the contribution of attitude towards e-tax system, adoption of e-tax system and isomorphic forces towards the tax compliance behaviour of individual tax payers in a developing country which is Sri Lanka. This study was achieved through a questionnaire survey of 101 individual tax payers in the country. Results suggest that contribution of attitude towards electronic tax system and adoption of electronic tax system has a positive relationship with the 49 individual tax payer's tax compliance and the isomorphic factors have a negative relationship with the tax compliance. Hence the results of the study suggests that attitude towards electronic tax system, adoption of electronic tax system have a significant impact on the tax compliance of Sri Lankan individual tax payers and isomorphic forces do not have a

significant impact on the tax compliance of Sri Lankan individual tax payers.

The findings of the study is important for academics, as well as the practitioners and regulators in the economy. For academics, this study contributes the existing literature on tax compliance by documenting the attitude towards electronic tax system, adoption of electronic tax system and isomorphic forces which evident that those factors are significant for tax compliance.

For government and practitioners the findings are very important because in order to change their taxation policies, the structure in the tax system in Sri Lanka and also to the revenue authorities which need to be focused on increasing the usage of electronic tax system among tax payers and ensure that there is more training to the tax payers on the important of tax compliance.

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The Effect of Green Banking Practices on Banks' Environmental Performance in Private Commercial Banks of Sri Lanka

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ABSTRACT

Dealing with environmental issues and their effects on day-to-day company operations is a significant task throughout the global economy in the modern corporate landscape. Noteworthy is the recent adoption of green banking initiatives by Sri Lankan institutions. However, there is a glaring dearth of empirical research exploring the interaction between green banking practices and banks' environmental performance in the Sri Lankan setting. By analyzing the impact of green banking legislation on the environmental performance of banks operating in Sri Lanka, this study tries to close that gap. The study's findings showed that green banking Practices have a significant and favourable influence on the overall environmental performance of Sri Lankan banks. Additionally, the study found that staff and bank customer-related and daily operation-related practices were distinctly favourable and significant.

impact on these financial organizations' environmental performance. On the other hand, bank policy-related procedures and routine business operations have not significantly impacted performance. The empirical knowledge of the link between green banking programs and banks' environmental performance in the Sri Lankan context has greatly benefited from this study. The study's conclusions provided information on the effectiveness of green banking practices and their potential to have a beneficial environmental impact on the banking industry.

Keywords— Green Banking, Practice, Environmental Performance, Private Commercial Banks.

1. INTRODUCTION

In the midst of the global adoption of green initiatives, "green banking" has become a focal point across various sectors. This study hones in on the green banking concept within the Sri Lankan banking industry, which recently embraced this idea (since 2015). Our selected focus is on private commercial banks, specifically 22 such banks in Sri Lanka, representing a substantial portion of the banking sector. In this selected for the research private commercial banks. Because of these banks largely and quickly adapt the green banking. There are 22 private commercial banks in Sri Lanka. That includes the majority of banks in Sri Lanka.

Despite the swift adoption of green banking practices by some private commercial banks in Sri Lanka, a critical research problem persists due to a literature gap. This gap is particularly pronounced in emerging economies like Sri Lanka, posing a significant challenge to understanding the impact of green banking practices on the environmental performance of commercial banks. The primary motivation for this research stems from a notable gap in existing literature, specifically the lack of comprehensive studies investigating the impact of green banking practices on the environmental performance of banks. While some research has delved into green banking practices in Sri Lanka, others have explored the effects of bank environmental performance, albeit with a focus on either state-owned banks or specific private commercial banks

within a single district. However, there is a distinct absence of research considering the entirety of commercial banks in Sri Lanka. Therefore, this research aims to address this gap by conducting a more inclusive examination that encompasses all commercial banks in Sri Lanka.

Despite the limited research landscape in Sri Lanka, this study posits that incorporating green practices into daily banking activities can enhance the environmental performance of banks. It is crucial for organizations to evaluate the benefits and drawbacks of existing green banking procedures to implement necessary changes. The study underscores the significance of green banking in assessing the viability of banks and aims to answer the main research question: What are the impacts of green banking practices on banks' environmental performances in the context of private commercial banks in Sri Lanka? This research explores various green banking practices, encompassing policies, employees, operations, and customers, not merely as an academic endeavour but as an exploration of a pivotal shift in the banking industry towards a more environmentally responsible and sustainable future.

2. LITERATURE REVIEW

2.1 Green banking

Green banking, often likened to ethical banking, is a multifaceted concept with varying definitions across different countries and scholars (Alexander,

2016). At its core, green banking aims to safeguard the environment, integrating environmental and social responsibility into banking services (Bihari, 2011). This commitment to sustainable development and corporate social responsibility characterizes responsible banking, emphasizing its integral role in business activities.

2.2 Green Banking Practices

Green banking practices manifest in a range of financial products and services. Bahl (2012) and Singhal et al. (2014) identify several such practices, including green mortgages, loans, credit cards, savings accounts, funds, checking accounts, CDs, and money market accounts. The integration of technology, such as mobile banking, internet banking, and remote deposit, is also recognized as a significant aspect of green banking.

In the context of green banking technology, Annadurai (2014) underscores the importance of ATM services, clean banking facilities, solar-powered ATMs, paperless banking, clean energy projects, and windmill construction. In Bangladesh, Zheng (2021) highlights the economic dimension as crucial for bankers' perceptions of green finance, suggesting the primary dimension for green banking practices.

Sri Lanka exemplifies the incorporation of information technology into green banking, with the Central Bank noting a trend towards introducing environmentally friendly banking products and services (Central Bank of

Sri Lanka, 2015). Habib (2010) emphasizes the responsible use of resources, waste avoidance, and prioritization of the environment and society in green banking initiatives. Hatton National Bank's (HNB) adoption of a massive 1.3 MW solar energy project exemplifies an environmentally friendly operational approach (Daily Mirror, 2016).

2.3 Benefits and Challenges

While Ragupathi and Sujatha (2015) highlight the advantages of green banking practices, Fernando and Fernando (2017) note that some banks may adopt these practices for cost-effective rewards rather than genuine environmental sustainability. In Sri Lanka, green banking initiatives are still in their early stages, with many banks leveraging the concept to enhance their corporate image and compete with rivals. Fernando (2017) stresses the importance of educating employees and customers about the benefits of green banking and integrating environmentally sound guidelines into various business operations, credit extensions, and investment decisions.

2.4 Environmental Performance

Environmental performance measures the impact of an organization's environmental policies on the environment (Karagozoglu and Lindell, 2000). Businesses committed to environmentally friendly practices gain a competitive advantage (Horvathova, 2010). Klassen and Whybark (1999) define environmental performance in terms of the impact of a firm's operations

and output on the environment. Measurements may include the percentage of toxic waste, fines for environmental law violations, adoption of ISO 14001, and emission intensity (Qi et al., 2014).

2.5 Green Banking and Bank's Environmental Performance

activities. Bihar's perspective on green banking in ethical banking that identified Green banking rooted on environment performance. Bihar(2011). Zhang et al.(2021) Do Green Banking Activities Improve the Banks' Environmental Performance? Consider about the green banking activities, green financing, and environmental performance And identified the green banking activities a significantly positive effect on banks' environmental performance and sources of green financing,. Zheng(2021) doing research Green Finance Development in Bangladesh: and consider about green finance dimensions (social, economic, and environmental) and sources of green financing And identified economic dimension" as the most significant dimension affecting the level of bankers' perceptions of GF. Risal and Joshi(2018) Measuring Green Banking Practices on enviroment Empirical Evidence from Kathmandu valley ,that energy-efficient equipment and green policy posed a significant impact on a bank's environmental performance; green loans and green projects did not. Kajanthy, S (2022) Green Banking Practices of Public Sector Banks in Sri Lanka that public sector banks are

practicing several green banking practices. Shaumya and Arulrajah (2017) The Impact of Green Banking Practices on Bank's Environmental Performance: Evidence from Sri Lanka that green banking practices had a positive and significant impact on a bank's environmental performance.

Fernando(2022) Green Banking Practices in the Sri Lankan Context. Suggest realistic solutions to convert green- banking strategies to achieve long-term sustainable development and helped to improve the environment performance. Building on the reviewed literature, the following hypotheses are proposed:Hypothesis 1 (H1): Banks' employee- related practices of green banking significantly positively influence banks' environmental performance. The literature suggests that employee-related practices, such as education and commitment to green banking, contribute to improved environmental performance (Fernando, 2022).

Hypothesis 2 (H2): Banks' daily operation- related practices of green banking significantly positively affect banks' environmental performance. Operational practices, including technology adoption and energy-efficient initiatives, are highlighted as key components of green banking (Singhal et al., 2014; Annadurai, 2014).

Hypothesis 3 (H3): Banks' customer-related practices of green banking significantly positively influence banks' environmental performance. Educating customers about the benefits of green

banking and promoting environmentally sound guidelines can contribute to improved environmental performance (Fernando, 2017).

Hypothesis 4 (H4): Banks' policy-related practices of green banking significantly impact banks' environmental performance. The adoption of green banking policies, as seen in the initiatives of Hatton National Bank (HNB), can be expected to positively influence overall environmental performance (Daily Mirror, 2016).

In conclusion, the literature review establishes a foundation for understanding green banking, its practices, and the relationship between green banking activities and banks' environmental performance. The proposed hypotheses provide a framework for empirical testing in the context of the study.

3. METHODOLOGY

The study adopted an exploratory approach, relying on empirical data to investigate the relationship between Green Banking (GB) practices and banks' environmental performance. Figure 1 illustrates the exploratory nature of the research, emphasizing the use of primary data gathered through a survey conducted among employees of selected private commercial banks (PCBs).

3.1 Instrument

The research design was guided by insights drawn from the literature

review, emphasizing the importance of understanding the link between GB practices and environmental performance. To collect relevant data, a questionnaire was developed as the primary instrument. The questionnaire incorporated a five-point Likert scale, providing respondents with a structured format to express their views on various aspects related to GB practices and environmental performance.

3.2 Sample and Data Collection

The study focused on the population of 22 private commercial banks in Sri Lanka. The sample comprised 155 employees from these banks, selected through a non-probability sampling method. To ensure a representative cross-section of responses, 20 questionnaires were distributed for data collection. The survey design was cross-sectional, capturing a snapshot of the participants' perceptions at a specific point in time. The questionnaire, administered using a five-point Likert scale, was designed to capture insights into the employees' perspectives on GB practices within their respective banks. The goal was to gather comprehensive data on various dimensions of GB practices, considering the unique context of the Sri Lankan banking sector.

3.3 Data Analysis

Data analysis was conducted using the Statistical Package for the Social Sciences (SPSS). Descriptive statistics summarized key findings, while regression analysis explored relationships between variables.

Correlation analysis identified significant associations, contributing insights into how GB practices influence the environmental performance of private commercial banks in Sri Lanka.

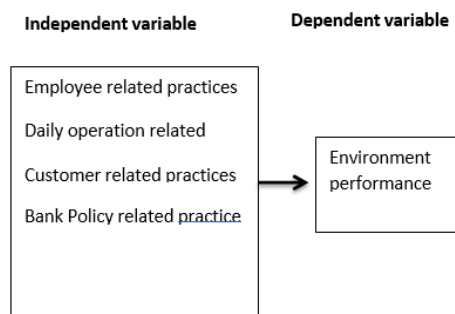


Figure 1. Conceptual Framework

Figure 1 based on theoretical background and review of the previous literature, a conceptual model was developed to examine the impact of green banking practices on bank's environmental performance.

Hypothesis 1 (H1): Banks' employee-related practices of GB significantly positively influence banks' environmental performance.

Hypothesis 2 (H2): Banks daily operation-related practices of GB significantly positively affect banks' environmental performance.

Hypothesis 3 (H3): Banks' customer-related practices of GB significantly positively influence banks' environmental performance.

Hypothesis 4 (H4): Banks' policy-related practices of GB significantly impact banks' environmental performance.

4. DATA ANALYSIS AND DISCUSSION

4.1 Sample Profile (Demographic)

See the Table 1, The study's findings on respondents' preferences for various banks reveal diverse patterns. Aman Bank garnered a response from 2.6% of participants, while Cargills Bank and Commercial Bank received responses from 9% and 6.5%, respectively. Notably, National Development Bank emerged as the most preferred, with 14.2% of respondents favoring it. The demographic breakdown showcases a male majority at 67.1%, while 32.9% were female. Age-wise, 47.7% fell within the 18 to 28 years range, with 45.03% between 29 to 38 years. In terms of education, a majority were well-educated, with 12.9% holding postgraduate qualifications and 25.8% completing undergraduate degrees. Occupationally, 16.1% held management positions, 15.5% worked as banking assistants, and 43.2% as other officers. Job experience varied, with 20.6% having 4 to 5 years, 33.5% more than 5 years, and 45.8% having 3 years or less. This comprehensive breakdown provides a nuanced understanding of respondents' preferences and the demographic landscape of the study.

Variable	Items	Frequency	Percentage
Bankname	Amen Bank	4	2.6
	Cargills Bank	14	9.0
	Commercial Bank	10	6.5
	DFCC Bank	9	5.8
	Habib Bank	2	1.3
	Hilton National Bank	13	8.4
	National Development Bank	22	14.3
	National Trust Bank	20	12.9
	Pan Asia Bank	10	6.5
	Sampath Bank	21	13.5
	Sri Lanka Bank	13	8.4
	HDFC Bank	10	6.5
	Mob Bank	1	.6
	Union Bank Of Colombo	3	1.9
	Mob Bank	1	.6
Job position	manager	25	16.1
	Banking assistant	24	15.5
	Assistant manager	12	7.7
	Officer other	67	43.2
gender	Bank trainee	27	17.4
	male	104	67.1
age	female	51	32.9
	18 to 23 years	74	47.7
	24 to 29 years	42	27.1
	30 to 35 years	22	14.3
	36 years over	17	11.0
Education	advance level	35	22.6
	undergraduate	40	25.8
	graduate	60	38.7
Working experience	postgraduate	20	12.9
	3 years below	71	45.8
	4-5 years	32	20.6
	above the 5 years	32	33.5

Table 1. Demographic data

4.2 The Reliability Analysis of the 4 Dimensions of Green Banking.

variable	Cronbach's Alpha	No of items
BERP	.842	3
BDORP	.806	4
BCRP	.874	4
BPRP	.898	5
BEP	.879	4

Table 2. The Reliability Analysis of the 4 Dimensions of Green Banking

See Table 2, the research study used the BERP, BDORP, BCRP, and BPRP scales. Using Cronbach's Alpha coefficients, assessed each scale's consistency. The findings indicate that BERP is a trustworthy instrument for evaluating its intended purpose since it

exhibits a degree of consistency (Cronbach's Alpha = 0.842). The internal consistency of BDORP is strong (Cronbach's Alpha = 0.806). In order to measure its goal idea, BCRP exhibits internal consistency (Cronbach's Alpha = 0.874), which indicates that it is quite dependable. In capturing the substance of the construct it was intended to test, BPRP demonstrates consistency (Cronbach's Alpha = 0.898) and has exceptional dependability. Based on these results, it may be deduced that the study's questions were valid and accurate.

4.3 Correlations between Green Banking and Bank's Environmental Performance.

See the Table 3, connections between several aspects of green banking practices and their impact on a bank's environmental performance in this crucial examination. Bank Environment Performance (BEP) vs. Bank Employee Related Practices (BERP) have a 0.468 Pearson correlation coefficient, Bank Environment Performance (BEP) vs. Bank Daily Operation Related Practices (DORP) The correlation in this instance is positive at 0.427. Bank Environment Performance (BEP) vs. Bank Customer Related Practices (CRP): A positive association is once more shown by the correlation coefficient, which reads 0.446. Bank Environment Performance (BEP) vs. Bank Policy Related Practices (BPRP): The correlation coefficient in this case is 0.486, Notably, each association has a statistical significance

level of 0.000, which is much lower than the usual cut off of 0.05 (p 0.05).

mean_BERP -	Pearson Correlation	.468**
	Sig. (2-tailed)	.000
mean_BERP -	Pearson Correlation	.427**
	Sig. (2-tailed)	.000
mean_BERP -	Pearson Correlation	.446**
	Sig. (2-tailed)	.000
mean_BERP -	Pearson Correlation	.486**
	Sig. (2-tailed)	.000
mean_BERP -	Pearson Correlation	1
	Sig. (2-tailed)	

Table 3. Correlations between the Green Banking and Bank’s Environmental Performance

These results led to the conclusion that the adoption of green banking practices and a bank's commitment to enhancing its environmental performance are positively and significantly related.

4.4 Regression analysis

4.4.1 ANOVA table

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	187.361	4	46.840	236.935	.000 ^a
	Residual	29.654	150	.198		
	Total	217.015	154			

a. Dependent Variable: mean_erp

Table 4. ANOVA table

See Table 4, ANOVA is frequently used to evaluate a regression model's overall statistical significance and the statistical relevance of each individual predictor. Bank environment performance is the analyses' dependent variable. This is the variable that model's independent variables (predictors) are intended to predict or explain. The significance level for the F- statistic is extremely low (Sig.

= .000b), indicating that the regression model as a whole is statistically significant. The ANOVA table assesses whether the overall regression model is statistically significant. In this case, the extremely low p-value (Sig. = .000b) for the F-statistic indicates that the regression model is highly statistically significant. The p-value in this instance is very close to zero (0.000), indicating strong evidence that the null hypothesis is false. The regression model, which incorporates the variables "bank policy related practices," "bank employee related practices," "bank daily operation related practices," and "bank customer related practices," appears to be statistically significant, according to the ANOVA table. The low p-value (p 0.001) shows that at least one of the predictors significantly influences the dependent variable, the performance of the banking environment.

4.4.2 Coefficient table

Model		Unstandardized Coefficients		Standardized Coefficients	T	Sig.
		B	Std. Error	Beta		
1	{Constant}	.069	.132		.523	.601
	mean_bep	.274	.066	.290	4.142	.000
	mean_dorp	.395	.066	.392	5.968	.000
	mean_crp	.286	.084	.268	3.408	.001
	mean_prp	.029	.078	.028	.368	.714

Table 5. Coefficient table

See Table 5, the coefficients for the predictors in regression model. Let's interpret the coefficients and their significance result testing the hypothesis. The constant in this study is .069. The constant's t-statistic is .523, and the intercept's p-value (Sig.) is .601

suggesting that it is statistically significant. the coefficient for bank employee-related practices is 0.274, and the standardized coefficient (Beta) is 0.290. The t-statistic and p-value for this coefficient indicate statistical significance (p-value < 0.05). Therefore, Hypothesis 1 is accepted, daily operation- related practices are 0.395, with a p-value of 0.000, indicating statistical significance (p-value < 0.05). Hypothesis 2 is accepted, bank customer-related practices has a t-statistic of 3.408 and a p-value of 0.001, which is statistically significant (p-value < 0.05). Thus, Hypothesis 3 is accepted, bank policy- related practices have a t-statistic of 0.368 and a p-value of 0.714, indicating no statistical significance (p-value > 0.05). Therefore, Hypothesis 4 is rejected, suggesting that bank policy-related practices do not significantly influence banks' environmental performance.

4.4.3 Model Summary

Model	R	R Square	Adjusted Square	R	Std. Error of the Estimate
1	.929 ^a	.863	.860		.44463

Predictors: (Constant), mean_prp, mean_dorp, mean_bep, mean_crp

Table 6. Model Summary

See table 6, statistics regression model's goodness of fit are displayed in the "Model Since model only accounts for 86% of the variation in bank environment performance, The model is a good fit for the data, with an R Square value of 0.863, indicating that approximately 86.3% of the variance in

the dependent variable bank environment performance.

5. CONCLUSION

In Sri Lanka, green banks are just getting started. They ought to utilize environmental data more frequently when making judgments about investments, loan extensions, and corporate operations. They will be assisted in taking proactive measures to enhance their environmental performance. Although there has been a lot of study on green banking, there hasn't been as much done to examine how it affects the private commercial bank of Sri Lanka's environmental performance. Therefore, this investigation was carried out by researchers in order to close this empirical gap. Descriptive statistics, correlations, and regression analyses have all been used in the investigation. Based on hypothesis testing, this research has demonstrated that green banking practices have a statistically significant and favorable influence on banks' environmental performance. The hypothesis of this study is supported by this finding. However, bank policy related practices were not a significant predictor of bank's environmental performance. Policy-related practices' ability to impact environmental performance can be hampered by a lack of strong regulatory backing. The impact of bank policy-related practices on environmental performance may be restricted if consumers and stakeholders are not actively involved with or supportive of green banking efforts.

Different private commercial banks in Sri Lanka may differ in the scope and efficacy of their green programs. Regression analysis further demonstrated that bank's customer related practice, employee related practice, and daily operation related practices were found to have positive and significant impact on bank's environmental performance.

5.1 Implications of the Study

The study's ramifications are important for Sri Lanka's academic community and financial sector. It adds to the corpus of knowledge in this area by providing insightful information on how green banking practices might improve a bank's environmental performance. The study advises banks to support environmental objectives and implement green banking practices, which can increase their competitiveness and appeal to socially responsible foreign investors. Additionally, it encourages the expansion of green banking in Sri Lanka and makes the case that financial institutions might profit from government incentives for employing eco-friendly procedures. Overall, the report emphasizes how crucial green banking is to the banking industry's long-term viability and profitability.

5.2 Limitations and Future Direction

A small sample of private banks, cross-sectional data, and a dearth of questionnaire-based data are only a few of the study's drawbacks regarding green banking practices in Sri Lanka. Future

study should extend to include both private and public banks in Sri Lanka and maybe other locations, utilize bigger and more varied samples, use longitudinal techniques, mix qualitative and quantitative methods, take into account antecedent variables, and use both qualitative and quantitative methodologies. This will guarantee a more thorough grasp of green banking practices and their effect on environmental performance that is relevant to all situations.

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Factors Impacting the Profitability of Tourism and Hospitality Industry Firms During Economic Crises in Sri Lanka

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ABSTRACT

This research aims to examine the financial factors affecting the profitability of the tourism and hospitality industry during economic crises. The study will analyze 30 listed hotels in Sri Lanka. The dependent variable in this research is the profitability of tourism and hospitality firms, while the independent variables are leverage, liquidity, and firm size. A deductive approach is utilized for this study. Data collection involves the use of financial statements and secondary data, which is analyzed using EViews. The goal of this research is to understand the relationship between profitability and internal financial factors during an economic crisis, collecting financial data from a 4-year economic crisis period.

The hospitality industry is one of the largest and most complex industries, encompassing various businesses and

sectors related to tourism and hospitality, such as hotels, lodging, restaurants, the transportation industry, and travel agencies. These sectors are among the major income-generating industries worldwide, with the travel and tourism industry directly providing 62.5 million job opportunities globally, according to the World Travel and Tourism Council Impact Report. For many developing countries, including Thailand, Sri Lanka, and the Maldives, the tourism and hospitality industry is a major source of earnings.

In Sri Lanka, the tourism and hospitality industry significantly contributes to the economy, attracting millions of visitors to its beautiful beaches, cultural heritage, and green natural environment. Sri Lanka is one of the top tourist destinations in South Asia. However, the tourism industry has faced declines in recent years due to several factors, including the Easter attack of 2019, the COVID-19 pandemic, political

instability, and economic crises. Before the Easter attack, Sri Lanka attracted many visitors and foreign investors in the tourism and hospitality industry. In 2019, Sri Lanka welcomed 2.2 million visitors, generating a total tourism income of 792 billion, as reported by the Sri Lanka Tourism Development Authority. Tourism and hospitality significantly contribute to employment opportunities and GDP in Sri Lanka. However, after the 2019 Easter attack, tourist arrivals dropped by almost 70% compared to previous years. The onset of the COVID-19 pandemic and subsequent lockdowns in 2020, along with new rules and travel restrictions introduced by the World Health Organization and other countries, led to a drastic decrease in tourism arrivals. Just as the industry was recovering from COVID-19, Sri Lanka faced further challenges from economic and political instability.

Keywords— Profitability, Tourism, and Hospitality Industry in Sri Lanka, Financial Factors

1. INTRODUCTION

Before the easter attack, Sri Lanka attracted many visitors, and many foreign investors for the tourism and hospitality industry. In 2019 Sri Lanka attracted 2.2 million visitors and a total tourism income for the country of 792 billion. (Sri Lanka Tourism Development Authority) as well as tourism and hospitality provide significant employment opportunities in

Sri Lanka as well as GDP but after the 2019 easter attack tourist arrivals dropped by almost 70% compared to the previous years, and the start of COVID-19 pandemic, the then year 2020 country full lockdown, as well as world health organization and the other countries, introduce new rules and travel restrictions. Then tourism arrivals drastically decreased. Just after recovering from COVID-19, Sri Lanka faced economic and political instability. Because of those incidents, Sri Lanka's tourism industry faced the hardest period. The Sri Lankan social and economic situation highly impacted tourism industry firms' profitability. Inflation the product and service prices high, and the Sri Lanka rupee depreciated because of this reason Sri Lanka became very expensive to visitors and protest, lack of fuel and lack of medicine again reason to decrease tourism and arrival. These reasons highly impact the tourism industry firms' profitability. However, hotels and tourism firms could not shut down their businesses, they had to face this situation, this research hopes to discuss the factors that affect to tourism industry's profitability during the economic crisis.

Before 2019 tourism and hospitality industry in Sri Lanka performed better way but after the easter attack, COVID-19, and the economic crisis Sri Lanka's tourism industry performance decreased. Ex- the Year 2019 average tourist arrivals into Sri Lanka per day were 7600 but this number decreased per day arrival into 1700 after two months

easter attack (Central Bank repeat 2019). In the year 2020 started to impose travel restrictions inside the country and outside the country. Because of this decision by the government most of the tourism firms had to stop their operations as well as some tourism firms had to find options. Ex- some hotels convert their hotel rooms into quarantine centers, person who come from abroad give these hotel rooms to them for quarantine, using that method hotels generate revenue during the COVID-19 period. And some hotels must sell their food and beverage home delivery method. because of the economic and social instability in Sri Lanka, people started protesting. this protest major reason to decrease the in-tourism arrivals. (Economic Crisis, A.S. Hovan George¹, A. Shaji George², T. Baskar³). because of the protest tourists were nervous about coming to Sri Lanka because there were chase to tourists faced uncertain situations and curfews. During 2022 Sri Lanka did not have enough fuel, gas as well as medicine This is also a reason for to decrease in tourism arrivals in Sri Lanka. That reason highly impacts the lack of tourist arrival to Sri Lanka. And it impacts the tourism firm's operations. Another reason for the lack of gas, and fuel, tourism, and hospitality industry firms have stocked these raw materials, then again, they incur additional costs for that. and increases in the VAT tax and inflation affect raw material prices. and local customer disposable income decrease, then locals cut their budgets for travel. Because of the above reasons

tourism and hospitality industry conducted their operations very difficult. They must, however, face those uncertain situations; they must cope with this kind of situation. So, tourism and hospitality industry firms must make strategic decisions to maintain their business and financial performance. This research tries to find the answers to "How internal financial factors affect to tourism and hospitality industry firm profitability during the economic crisis in Sri Lanka.". All the business context leverage, liquidity, and firm size play crucial roles in identifying profitability. Some researchers indicate a positive impact on profitability. Some indicate a negative impact on profitability. As well as the researchers also indicate positive and negative relationships between profitability and firm size and liquidity. Understanding the relationship between the firm's size, leverage, liquidity with profitability is important to all organizations for their long-term.

Research Question/s:

1. What is the impact of leverage on tourism firm's profitability during the economic crisis period?
2. What is the impact of liquidity on tourism firm's profitability during the economic crisis period?
3. What is the impact of firm size on a tourism firm's profitability during the economic crisis period?

Research objective/s:

1. To determine impact leverage on tourism and hospitality industry

- firm profitability during the economic crisis.
2. To determine impact liquidity on tourism and hospitality industry firm profitability during the economic crisis
 3. To determine the impact on the firm size and tourism and hospitality industry firm profitability during the economic crisis.

Sri Lanka is a popular destination hence the hotels and travel industry have a great opportunity to grow but the year 2019-2022 is period bad period for the tourism industry. So, this research identifies the internal financial factors that impact tourism and hospitality firms' profitability during the economic crisis. All the business context leverage, liquidity, and firm size play crucial roles in identifying profitability. Some researchers indicate a positive impact on profitability. Some indicate a negative impact on profitability. As well as the researchers also indicate positive and negative relationships between profitability and firm size and liquidity. Understanding the relationship between the firm's size, leverage, liquidity with profitability is important to all organizations for their long-term. This research tries to find the relationship between the firm size, leverage, and liquidity with the profitability during the economic crisis period. The economic crisis, COVID-19, and the easter attack those all incidents are uncertain situations. This research was conducted to obtain information economic crisis period in Sri Lanka. Therefore, this research helps managers to use when

tourism industry firms face uncertain situations. Stakeholders can use this research's findings make to a decision when the tourism industry is facing an unpredictable situation. For example, if a firm knows about the leverage and profitability relationship during an economic crisis period when again facing an unexpected situation, managers can make decisions to mitigate the risk. managers can use this research information to manage their exposure to financial distress. firm can use understanding the relationship between leverage and profitability during the economic crisis to survive of the firm and capital allocation. For example, if a firm knows about the liquidity and profitability relationship during the economic crisis period when again facing an unexpected situation, looking at this relationship managers can make decisions related cost-cutting and protect profitability, and to build up to the confidence of investors and creditors managers can use this relationship between liquidity and profitability during the economic crisis.

2. LITERATURE REVIEW

The literature review includes the information about the reason for the Sri Lanka economic crisis and information about the tourism and hospitality industry in the Sri Lanka. As well as the review include the explanations about the profitability, leverage, liquidity and the firm size.as well as the include the information relationship between the profitability and leverage, relationship between the profitability and liquidity

and the relationship between the firm size and profitability. And include details about the picking order theory and Modigliani and Miller theory. Theories related to finance.

2.1 Sri Lankan economic crisis

Numerous elements have contributed to the prevailing economic crisis in Sri Lanka. These factors include economic mismanagement, increased foreign debt, and interest, decreasing foreign reserves, depreciation of the national currency as well as increasing price of goods and services. Not only that factors tax reduction, money printing, and national policy took related to the agriculture field. That is the shift towards organic and biological farming. As well as Easter bomb attacks and COVID-19 were the main base reason for the Sri Lankan economic crisis. Since March 2022, the government lost its majority, leading to increased political unrest and the removal of ministers from their posts. Additionally, there was a decline in output shortage because of the shift to organic agriculture. In repaying a series of debts, which include both domestic and foreign obligations. This debt is a huge problem for financial stability in the country. Meanwhile increasing debt crisis in Sri Lanka, the Sri Lankan rupee value significantly depreciated. These debt issues and the rupee depreciation create a hard economic period in Sri Lanka. And these economic conditions put immense pressure on the government.

2.1.1 Relationship between the profitability and the financial factors Profitability

Profit is the most crucial element of the tourism and hospitality industry also. Previous researchers investigated different factors that impact the tourism and hospitality industry firms' profitability. Some researchers found that external determinations and internal determinations impact and determine profitability (Tan 2017).

Measurement of the profitability

$$\text{ROA} = \text{Net Income} / \text{Total Assets}$$

$$\text{ROE} = \text{Net Income} / \text{Shareholder's Equity}$$

2.1.2 Relationship between firm leverage and profitability in the tourism and hospitality industry.

Researchers indicate that leverage is significantly important in determining the profitability of the tourism and hospitality industry (Hanish, Abdul, & Mutalib, 2021). Some researchers have found a negative relationship between firm leverage and profitability (Jafari & Samman, 2015), while others have noted that a high level of leverage adversely affects the profitability of firms in the tourism and hospitality industry (Alvarez, 2016). Additionally, some researchers have identified a positive relationship between the profitability of tourism and hospitality industry firms (Olang, 2017). Abdulla (2020) suggests that leveraging the interest tax shield can positively impact firm profitability. During economic crises and the COVID-19 period, leverage affected the

profitability of the tourism and hospitality industry. According to Hanish, Abdual, and Mutalib (2021), there is a positive relationship between leverage and the profitability of tourism and hospitality firms. The pandemic has forced tourism and hospitality industry firms to halt operations to prevent the virus's spread, adhering to government standard operating procedures (SOPs). Consequently, some hotels have had to take loans to cover expenses and survive. Therefore, it is crucial for tourism and hospitality industry firms to control and manage their assets efficiently to increase their profitability (Hanish et al., 2021).

2.1.3 Relationship between the tourism and hospitality industry firm size and the firm profitability

The size of the tourism and hospitality firm is one of the important determinants of the firm profitability. Some researchers concluded a negative relationship between tourism and hospitality industry profitability. (Banchuenvijit, 2012) Huge hotels benefit from high occupancy and sales revenues but they are confronted by low profitability. (Ben Aissa & Goaid 2016). large tourism and hospitality industry firms generate high revenue but low profit because conduct to large size tourism firms has incurred huge costs. There some researchers concluded tourism firms should focus on cost. (Abdulla (2020). Most of the researchers found a positive relationship between the tourism and hospitality firm and the firm profitability. Some researchers said

that the tourism and hospitality industry size is significantly and positively related to ROA (Alemu, 2020; Tan, 2017; Somathilaka, 2022).

2.1.4 Picking order theory

According to the pecking order theory, profitable firms use less debt. This implies that profitability affects leverage. This is based on profitable firms being able to finance themselves with sufficient internal capital, leading to relatively low debt levels. Moreover, the implications of the pecking-order theory tell us that profitable firms use less debt. Consequently, regardless of the direction of causality, a negative relationship between leverage and profitability is expected. Hence, if a negative relationship is found, support to the pecking-order theory will be given. (Myers and Majluf, 1984).

2.1.5 Modigliani and Miler theory

Modigliani and Miller presented a famous article in 1958 discussing the choice of capital structure and its implications on the businesses. Based on a few assumptions, Modigliani and Miller (1958) argued for the irrelevance of firms' capital structure. Five years later, Modigliani and Miller revised their theorem in the article, Corporate Income Taxes and the Cost of Capital: A Correction, concluding that capital structure in fact was relevant (Modigliani & Miller, 1963). The irrelevance of capital structure theorem should logically assume that the degree of leverage is of no relevance for profitability. Thus, this study will based

on the theorem predict that no specific relationship is expected between leverage and profitability

3. METHODOLOGY

This chapter gives a detail of how the study was carried out. Discuss and the procedures to study determine the factors that affect to tourism and hospitality industry profitability during the economic crisis to arrive at a conclusion of the study it is needed to gather and analyse the required data. Under the research methodology, this chapter describes the conceptual framework, data collection method, and sample of the study and data analysis technique.

3.1 Research Design

Research design is the plan and structure of investigation so conceived as to obtain answers to research questions. plan is the overall program. (robson-2002).

3.2 Conceptual Framework

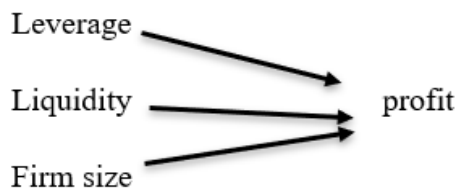


Figure 1. Conceptual framework.

3.3 Hypotheses

H0- there is no significant impact of leverage on profitability during the economic crisis period.

H1-there is the significant impact of leverage on profitability during the economic crisis period.

H0- there is no significant impact of liquidity on profitability during the economic crisis period.

H2-there is the significance impact of liquidity on profitability during the economic crisis period.

H0-there is no significance impact of firm size on profitability during the economic crisis period.

H3- there is the significance impact of firm size on profitability during the economic crisis period.

3.4 Population and Study Sample Population

This study focuses on how the economic crisis affects the tourism and hospitality industry profitability. Therefore, the population is the tourism firm in Sri Lanka. total tourism firm in sri Lanka 150. Sample- As the sample of this study selected companies listed in the hotel and traveling sector. The sample size is 30 hotels. (somathilaka 2020,) 3.6 Sample Size and Selection of Sample

Sale size -30 hotels. (somathilaka 2020,)

Sources of Data secondary data – data expected to be obtained from listed tourism entity financial statements.

Collection of Data Data - collected from financial statements and expected to collect period of 2019-2022. During the economic crisis period.

4. DATA ANALYSIS AND RESULTS

Data analysis chapter include the data analysis techniques which are descriptive statistics, correlation and regression, and this chapter provide understand model significance and hypothesis significance provide information which hypothesis should accept which hypothesis reject. Data analysis using EViews.

4.1 Descriptive statistics

Average return on assets is -0.39537. while standard deviations are 0.082716. this indicates that the variability of ROA is less. the range of ROA for the sample firm -0.313207-0.355414. the average leverage for the sample is 0.328259 and the standard deviation is 0.286161. leverage ranging from 0.000337 to 1.290172.

4.2 Correlation analysis

The table correlation matrix explains correlation coefficients between the independent and the dependent variables. ROA and leverage correlation is the -0.71405. It indicates a strong negative relationship. (Because the correlation between the -0.5- -1)ROA and liquidity correlation 0.5116629 indicates a positive strong relationship as well and the firm size and ROA have a weak negative relationship. because the correlation between the 0- (-0.5).

4.3 Regression analysis

Panel data analysis refers to a statistical method widely used in different disciplines such as social sciences, and

econometrics to analyze data for multiple periods Panel data regression analysis is done through the mainly three main steps. There is OLS(ORDINARY LEAST SQUARE.)Regression model, fixed effect regression model, and random effects model. The purpose of regression analysis is to find out the significant impact of the independent variable on the dependent variable.

MODEL	F-statistics
SIGIFICANCE	
panel least square	0.000
fixed effect estimates	0.000
random effect estimator	0.0000
	r square
pool square	0.54
fixed effect model	0.72
random effect	0.44

Table 1. Model significance.

This study is conducted based on the using random effect model. This study's r square value is 0.4488.R square value should be more than 70%. R square value is more than 70% of research independent variables on dependent variable explanatory power is high. But in this research R square value is less than 70%. It is the explanatory power of the independent variable is relatively low. in this research only applied firm

specific factors to check the impact of tourism and hospitality industry profitability during the economic crisis but there are more factors that impact tourism and hospitality firm profitability. If those factors were put into the study, it might be reasons to increase R square. As well as determine the factors that impact the tourism and hospitality industry's profitability. Ex-macro-economic factors, firm experience. Some researchers conduct their research using internal and external factors that affect tourism and industry firm profitability. However, this study only applied internal financial factors. That might be a reason to the decreasing R Square. According to the random effect model, leverage and liquidity are both significant, and firm size is insignificant. There is a significant negative impact of leverage on the profitability of tourism and hospitality industry firms during the economic crisis. The coefficient value of leverage is -0.181355 and the probability is 0.000. ($p < 0.05$) There are some studies that found that firm size does not have an impact firm size in profitability. According to this research analysis, the impact of leverage is negative on the profitability of the tourism and hospitality industry during the economic crisis in Sri Lanka. During the economic crisis business activities were conducted at a lower level. Therefore, revenue is low. Sometimes revenue might not be enough to settle employee salaries and wages. then tourism firms must get loans and obligations to operate their business, then their earnings comparatively higher

amount they must allocate for the loan and obligations settlement and interest payment. Therefore, leverage impact negatively profitability of the tourism and hospitality industry profitability during the economic crisis period in Sri Lanka. And the year 2022 Sri Lanka Central Bank increased their interest rate. then tourism firms and hospitality firms had to pay a high interest rate compared to previous years. but their revenue did not increase sufficient level. Then again they have to allocate a high proportion for the bank. There are some studies that found that firm size does not have an impact firm size in profitability. According to this research analysis, the impact of leverage is negative on the profitability of the tourism and hospitality industry during the economic crisis in Sri Lanka. During the economic crisis business activities were conducted at a lower level. Therefore, revenue is low. Sometimes revenue might not be enough to settle employee salaries and wages. then tourism firms must get loans and obligations to operate their business, then their earnings comparatively higher amount they have to allocate for the loan and obligations settlement and interest payment. Therefore, leverage impact negatively profitability of the tourism and hospitality industry profitability during the economic crisis period in Sri Lanka. And the year 2022 Sri Lanka Central Bank increased their interest rate. then tourism firms and hospitality firms had to pay a high interest rate compared to previous years. but their revenue did not increase sufficient level. Then again they have to allocate a high

proportion for the bank interest payment. According to the Picking order theory to maintain sufficient profit in the firm, the business should use internal financing. According to the pecking order theory, profitable firms are financed by internal sources but during the economic crisis period, tourism and hospitality industry firms could not ability to ge because high cost of raw materials and, low level of occupancy rate. Therefore, during the economic crisis period tourism and hospitality industry firms should select external financial approaches to fulfill their requirement. Then firms have to pay high interest rates. Then profitability decreases. Therefore, the negative relationship between leverage and profitability during the economic crisis period of tourism and hospitality industry firms. In this case, the pecking order theory interpretation matches with this study's results. But Modigliani and miler theory does not match with this research findings during the economics period tourism industry firms profitability and the leverage. Modigliani and miller theory mention leverage and profitability positive relationship but in this research indicate negative relationship profitability and leverage during the economic crisis period. This study found a positive relationship between liquidity and profitability during the economic crisis. If tourism and hospitality firms have sufficient liquid assets, they can use them to convert into money in uncertain situations and they can use that cash to conduct their operation smoothly. When

firms conduct their operation smoothly, they can generate profit, tourism and hospitality industry firms' profitability and liquidity indicate a positive relationship. According to research in the tourism and hospitality industry firms do not have enough liquidity assets, these firms do not easily find cash for their operation, and they have to take loan obligations. The cost increase impacts to negative manner profitability in the tourism and hospitality industry firm. The reason for insignificant relationship between the firm size and profitability during the economic crisis is the. the asst depreciations.

4.4 Model Equation

$$ROA = \beta_0 + \beta_1 lev + \beta_2 liq + \beta_3 TA + e..(1)$$

5. CONCLUSION

Tourism and the hospitality industry are the most important fields to the country This research it tries to identify factors that affect to tourism and hospitality industry firm profitability and try to understand about the hoe firm-specific factors affect to the tourism and hospitability industry profitability. I thought of a significant impact between leverage, firm size, liquidity, and profitability. according to the study findings leverage and liquidity have a significant impact, but firm size does not have a significant impact to profitability.to identify the impact of factors on the profitability I collect data from the secondary source. and I only select the data from the firm-specific factors. I did not apply external factors. I recommend future researchers when

conducting researchers find to factors impact to tourism and hospitality industry profitability in the economic crisis do not only take firm-specific factors but try to take structure ownership factors and economic factors. external variables from macroeconomic factors, financial issues, and monetary policy should be included in the future study. By identifying those aspects, it would enable the possibility to predict a hotel's future evolution and how they can maintain or increase the profitability in the upcoming period. In my research mainly try to identify what factors affect to tourism and hospitality industry firm profitability. for that I come up with 3 questions. There are what is the impact between the leverage and profitability, what is the impact between the liquid and profitability and what is impact between the firm size and profitability collected data from financial statements as secondary data, I used eveievs for data analyzed. I analyze my data set applying panel data regression models. Any research finding is positive significant impacts liquidity on profitability, negative significant impact leverage on profitability and there is no impact firm size on profitability.

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Key Determinants Affecting Taxpayers' Tax Compliance in Sri Lanka

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ABSTRACT

The main objective of the study is to explore the key determinants affecting taxpayers' tax compliance in Sri Lanka. This paper is expected to contribute towards the tax compliance literature in several ways. First the research analysis, in depth identify factors affecting taxpayers' tax compliance in Sri Lanka. Second, provide recommendations for policy makers and tax authorities on how to improve tax compliance in Sri Lanka. The study will comprise number of 123 taxpayers in Sri Lanka to determine their desire to pay taxes as well as their degree of faith in the government and its institutions. The researcher uses the theory of planned behavior as a basis for evaluating the dependent and independent variables. The dependent variable in this study is tax compliance, while the independent variables are tax rate, tax knowledge, probability of detection, fines & penalties and perception of government spending. Frequency, correlation analysis, and multiple regression will be used to analyze the data.

The deductive approach is being utilized for this study. To collect primary data, a questionnaire is being used as a survey tool. This study uses the snowball sampling technique as its sampling method. The data obtained will be analyzed using SPSS.

The goal of this study is to provide a greater knowledge of the factors that influence Sri Lankan taxpayers' tax compliance. This research effort aims to expand the willingness and knowledge of taxpayers to pay and to provide insight to policy makers on effective measures to increase tax collection and revenue generation in Sri Lanka.

Keywords— Taxation, tax compliance, tax rate, tax knowledge, probability of detection, fines and penalties, perception of government spending

1. INTRODUCTION

Tax is the most important thing in the governments of both developed and developing countries. Any government in the world needs financial resources to

fulfill its role. To achieve the development goals, government expenditure needs to be met from taxes and other revenues. Tax is a mandatory payment imposed by the government. Money collected from taxes helps the government provide various services to its citizens. This collected money is used for education, health, infrastructure, and any other services. So all the citizens should pay their tax share honestly. Taxation can perform these functions efficiently where taxpayers pay their taxes according to a country's tax laws. The main objective of policymakers in developing and developed countries is to raise government revenue and raise the necessary funds for the provision of public goods and services. Sri Lanka has recently been in lower middle- income status and however this is a recent trend. (Jayawardane & low, 2016)

Tax compliance is taxpayers' ability and willingness to comply with tax laws which are determined by ethics, legal environment, and other situational factors at a particular time and place. (Jayawardane & Low, 2017) Developing countries have a lower level of tax compliance. The presence of low tax compliance limits the raising of funds for the development of a country. According to the Annual Report 2018 of Sri Lanka tax compliance level of taxpayers during 2013-2018 is 50%. Generally, when the percentage of per capita income of a country increases, the tax income of the country should also increase in comparison. But in Sri Lanka, the per capita GDP of the country has been increasing while the ratio of tax

revenue to GDP is decreasing. The tax revenue to GDP ratio in 1990 was 19.5% and it dropped down 12.5% in 2011. (Kehelwalatenna & Soyza, 2020)

Jayawardane and Low (2016) argued tax evasion, the attitude of taxpayers, temporary changes in tax policies, poor tax administration by the government, etc. also affect tax compliance. In recent years, there has been a decline in tax revenue. 14.2% in 2007, down to 13.3% in 2008, in 2009 it has taken 12.8 and in 2010 as 12.9 in 2014, it placed at 11%. That there is a problem of tax compliance of individual taxpayers in Sri Lanka and factors influencing non-compliance of taxes have been found. These are tax rate, probability of being audited, non – complexity of tax system, and probability of detection. According to this Jayawardane and Low (2016) argued that, the loopholes in the enforcement actions and weaknesses in the tax audit cause to increase in the level of non-compliance in Sri Lanka. (Kehelwalatenna & Soyza, 2020)

As a result of low tax revenues, a country's government has to borrow externally to finance it. This harms the country's economic development, which can lead to a huge debt burden. Thus increasing tax compliance, reducing dependence on external borrowing, and enabling governments to sustainably fund their development needs. Tax compliance in Sri Lanka is significantly influenced by the fairness of the tax system, tax knowledge, tax rates, fines, and penalties. According to

the study the research gap is empirical gap. (Kehelwalatenna & Soyza, 2020).

1.1 Significance of the study

The study on key determinants affecting taxpayers' tax compliance in Sri Lanka holds significant implications for both academic and practical contexts. It contributes to the understanding of tax compliance within the Sri Lankan context, emphasizing its crucial role in government revenue generation and its impact on economic growth. By identifying factors influencing taxpayer behavior, policymakers can design more effective tax policies to enhance compliance rates and increase revenue collection.

Tax authorities can use insights to enforce tax laws, practitioners can offer tailored services, and taxpayers can better understand compliance factors, avoiding penalties. In the current challenging scenario of tax compliance, the study provides essential guidance for governments to formulate legislative and administrative measures, aiding the Inland Revenue Department in maximizing revenue collection. Overall, the study's results offer a comprehensive understanding of tax compliance factors and their relationships, providing essential knowledge for addressing this significant issue. (Jayawardane & Low, 2017)

1.2 Research questions

- What are the factors affecting tax compliance among taxpayers in Sri Lanka?

- How to improve tax compliance in Sri Lanka?

1.3 Research objectives

- Determining factors affecting tax compliance among taxpayers in Sri Lanka.
- To provide recommendations for policymakers and tax authorities on how to improve tax compliance in Sri Lanka.

2. LITERATURE REVIEW

2.1 Tax Law of Sri Lanka

The draft of the Inland Revenue Act had been prepared with the assistance of the International Monetary Fund (IMF). It was designed to make the country more attractive to investors. According to Article 148 of the Constitution of Sri Lanka, taxes cannot be imposed on the public without a constitution. Therefore, the focus here is on the Inland Revenue Act No. 24 of 2017, which is the Act imposing income tax on individuals. Income tax is mainly administered by the Inland Revenue Department of Sri Lanka (Inland Revenue Department, 2017).

Section 2 of the Inland Revenue Act specifies what income tax is to be levied and at what rates and What is the time frame to consider. According to this section the person includes both resident and non- resident. Here the assessment year is considered to be from the 1st of April to the 31st of March of the following year. To obtain taxable income, eligible payments and allowances must be deducted from the individual's assessable income. It is the summary of employment income,

business income, investment income, and other sources. The Act provides various compliance rulings related to the submission of tax returns, assessments, objections and appeals, and liability for payment of income tax. Overall, Section 2 of the Inland Revenue Act establishes a comprehensive framework for determining and collecting income tax from individuals clearly and transparently. (Inland Revenue Department, 2017).

2.2 Self-assessment Tax System

The self-assessment tax system, implemented in both developed and developing countries, allows taxpayers to calculate their tax liability independently without tax officials' intervention. In this system, taxpayers assess and submit their tax returns to the authorities, who then conduct audits to determine the final tax payable or receivable. Countries such as Sri Lanka, Pakistan, Indonesia, Australia, Ireland, New Zealand, and the UK have adopted this system, aiming to enhance tax administration efficiency. However, some countries like Singapore, France, and Luxembourg have not adopted it. The implementation of self-assessment aims to improve tax processes, with an increasing number of countries transitioning to electronic filing for user-friendly and cost-effective outcomes. Common challenges include issues related to tax education, knowledge, system simplicity, and tax audits, fines, and penalties. These issues need continuous monitoring to achieve the

objectives of the self-assessment tax system.

2.3 Tax Systems of Developed and developing countries

Compares tax compliance behavior in Hong Kong, Australia, the United States, and Singapore based on a hypothetical tax scenario. Australian taxpayers exhibit higher compliance than Hong Kong taxpayers. In the hypothetical scenario, Singapore has the lowest non-compliance rate (26%), with a 54% overall compliance rate, while Australia has the lowest compliance rate (30%). The United States falls in the middle for both compliance and non-compliance rates. The UK relies heavily on personal income tax as its primary source of revenue, contributing significantly to funding government operations and programs.

Also, developing countries have created a set of rules that govern how individuals and businesses should pay taxes on their income. These rules are essential in determining whether is a suitable location for companies looking to start new ventures or relocate their operations, as taxes can impact the competitiveness of a country. There are three main types of taxes namely personal tax, corporate tax, and value-added tax. Personal taxes are the taxes paid by individuals on their income, while corporate taxes are paid by companies on their profits. Value-added taxes are taxes levied on the value added at each stage of production or distribution of goods and services. Understanding these tax laws is

important for individuals and businesses operating and can have significant impacts on their financial situation. (Minovia, Muslim, Fauziati, & Nasrah, 2016).

2.4 The Concept of Tax Compliance

Tax compliance means taxpayers' willingness to pay their taxes. The Organization for Economic Co-operation suggests categorizing tax compliance into administrative, technical, reporting, and procedural compliance, with two perspectives: administration and completion of tax returns. In Sri Lanka, rated as a low-income country with low tax compliance, the Inland Revenue Department works to maintain efficient tax administration. Tax compliance in terms of administration includes tasks like taxpayer registration, annual tax return submission, and adherence to payment schedules. The Inland Revenue Department, established in 1933/32, administers various taxes, including income tax, value-added tax, PAYE tax, Nation Building tax, and Economic Service Charge. Taxes serve as a crucial source of government revenue, but Sri Lanka faces challenges as its tax-to-GDP ratio has declined from 19.5% in 1990 to 11% in 2014, despite an increase in GDP per capita. Increasing income is seen as essential for ensuring tax compliance. (Jayawardane & low, 2016).

2.5 Determinants of tax compliance

2.5.1 Tax Rate

The tax rate is a crucial economic factor influencing the tax compliance of individual taxpayers. Studies, such as that by Allingham and Sandmo (1972), present mixed predictions on the impact of the marginal tax rate on compliance. While some argue that higher tax rates may increase compliance, many studies suggest that higher tax rates actually reduce compliance. Specific evidence is needed to establish the relationship between tax rate and tax compliance. Allingham and Sandmo's study concluded that tax compliance decisions are not solely determined by tax rates, as taxpayers may fully or underreport income regardless of the rate. Reducing the tax rate is not the only method to discourage tax evasion, and increasing the tax rate may not necessarily enhance compliance, according to Clotfelter and Witte and Woodbury (1985). The overall tax system, including tax rates on corporate profits and individual incomes, significantly influences taxpayers' decisions regarding tax evasion. If individuals face high tax rates while corporate rates are low, taxpayers may be less willing to declare their total income, considering the perceived unfairness. (Bandara & Weerasooriya, 2019).

2.5.2 Knowledge of Taxation of the Country

Tax knowledge is a significant factor influencing tax compliance, referring to taxpayers' ability to comprehend tax laws and their willingness to adhere to

them. Harris (1989) distinguishes tax knowledge into formal education and awareness of potential tax evasion opportunities. Eriksen and Fallen (1996) emphasize the importance of tax education in understanding tax requirements, stating that knowledge of tax laws plays a crucial role in shaping taxpayers' compliance behavior, reflecting their preferences and attitudes toward taxation. Singh (2003) asserts a close relationship between general tax knowledge and understanding taxation laws. The existing research indicates that increased tax knowledge positively impacts taxpayer understanding and compliance, reducing the likelihood of tax evasion. However, further exploration is needed to examine how individuals' attitudes toward taxation are specifically influenced by their knowledge of tax regulations. Studies by Lewis (1982) and Eriksen and Fallan (1996) suggest that better understanding of tax regulations leads to more favorable opinions about taxes and improved compliance with tax laws, reducing the inclination towards tax evasion. Singh, Eriksen, and Fallen, Harris argued that there is a positive relationship between tax knowledge and tax compliance of taxpayers. On the other hand, Collins, Beesoon (2016), and Geletaw (2017) argued that there is a negative relationship between tax knowledge and tax compliance of taxpayers. (Bandara & Weerasooriya, 2019).

2.5.3 *Probability of Detection*

Many researchers have focused on consistency concerning detection probability. Allingham and Sandmo (1972) claimed if the probability of detection is high that taxpayers will always declare their income correctly. The likelihood probability of detection plays a significant role in reporting behavior as taxpayers declare. Slemrod, Blumenthal, and Christian (1998) did an investigation to find the relationship between the probability of auditing and taxpayers' responses. This experiment indicated the probability of being audited played a significant role in determining taxpayers' evasion behavior.

Furthermore, taxpayers began to use more sophisticated tax evasion strategies and create hard-to-trace documents because they knew there were not enough investigations to detect tax evasion. Bergman's findings that individuals' fear of engaging in illegal behavior, being caught, or being detected, affects their level of compliance. According to the findings from Bergman probability of detection plays a significant role in compliance behavior.

Eisenhauer (2008) conducted a study investigating factors influencing tax compliance, with a focus on moral preferences and risk aversion. The research utilized three major data sources and concluded that self-employed individuals, due to a lower probability of audits and less third-party withholding, have a greater opportunity

for tax evasion compared to other groups. The study emphasized the increasing importance of tax audits in minimizing non-compliance, particularly in the context of rising evasion across the USA. However, the significance of audit programs varied among different taxpayer groups, and high detection probabilities were suggested to enhance compliance. While Bergman and Eisenhauer found a positive correlation between high detection probabilities and compliance, some authors reported contradictory results in certain circumstances. (PALIL, 2010).

2.5.4 Fines and Penalties

In general terms, fines and penalties are punishments given to those who break the rules and regulations. The objective of imposing penalties is to make taxpayers comply with the tax laws. Therefore, penalties will guarantee that tax laws will be followed. Tax penalties and fines support tax compliance. Also, different types of fines and penalties from one country to another country. According to the tax law, there are two types of penalties these are administrative sanctions and criminal sanctions.

Allingham and Sandmo (1972) argued higher penalties discourage cheating. Park & Hyun (2003) studies showed that fines are significantly related to tax compliance relative to audit probabilities. Andreoni et al.(1998) argued that there is a positive relationship between the penalty rate and tax compliance.

(Kehelwalatenna & Soyza, Determinants of Tax Compliance Behaviour: The Case of Sri Lankan Taxpayers, 2020)

In this way, taxpayers' views on tax penalties will affect them in paying taxes. Taxpayers should be aware of the adverse consequences they may face if they do not follow tax laws. By knowing about the penalties and repercussions, taxpayers are more likely to fulfill their tax obligations accurately and on time. Having a good understanding of the penalty can reduce the adverse consequences for taxpayers.

2.6 Recommendations for policymakers and tax authorities on how to improve tax compliance

The key recommendations for improving tax compliance with the Inland Revenue Department (IRD) include simplifying the tax process and laws to enhance understanding. This can be achieved through changes in tax policies. Additionally, implementing awareness and training programs is crucial for detecting non-compliance, educating taxpayers on accurate tax return filling, calculating liabilities, and ensuring timely payments. Changing government attitudes is also essential, emphasizing collaborative efforts between tax authorities and taxpayers during the tax implementation process. (Jayawardane & low, 2016)

To enhance tax compliance in the Inland Revenue Department of Sri Lanka, it is crucial to implement robust audit standards and procedures. Transparency is emphasized by promptly sharing audit

findings with the public. Encouraging tax officers to be friendly and informative is key to fostering a positive environment. The department should focus on elevating the overall quality of the tax system at all levels, aiming for more effective and efficient tax administration. Introducing new detection mechanisms and procedures further strengthens the likelihood of identifying non-compliance, contributing to increased overall tax compliance. (Jayawardane & Low, 2017).

3. METHODOLOGY

3.1 Research Design

The Theory of Planned Behavior is considered significant in understanding human behavior, particularly an individual's intention to engage in a behavior at a specific time and place. Behavioral intention, according to Fishbein & Ajzen (1975), is influenced by three factors: behavioral beliefs, normative beliefs, and control beliefs. Behavioral beliefs involve subjective probabilities of behavior leading to certain outcomes, while normative beliefs encompass a person's expectations about others' views on a behavior. Control beliefs relate to an individual's perception of factors facilitating or hindering behavior. Positive attitudes, as suggested by Marti, encourage tax compliance, with Bidin et al. (2011) confirming that attitude positively affects intention. The study also explores the moderating effect of tax awareness and knowledge on the relationship between determinants of tax compliance and the compliance level of

Sri Lankan taxpayers. Loo et al. (2009) argue that a certain level of tax knowledge is essential for timely tax compliance, while Kasipillai et al. (2013) demonstrate that tax awareness and knowledge serve as moderators, influencing the relationship between individual factors and income tax compliance behavior. (Kehelwalatenna & Soyza, Determinants of Tax Compliance Behaviour: The Case of Sri Lankan Taxpayers, 2020)

3.2 Theoretical Framework

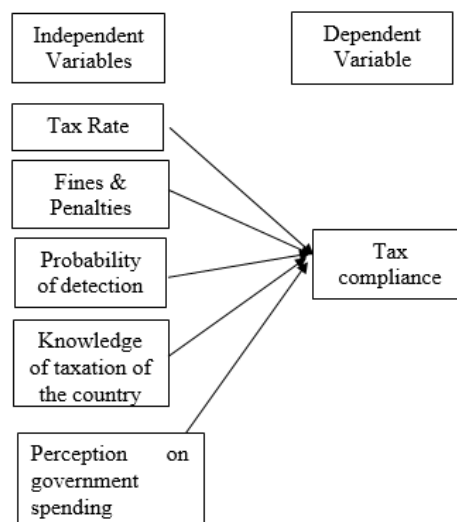


Figure 1. Conceptual framework.

3.3 Population and Study Sample

The study focused on the population of 22 private commercial banks in Sri Lanka. The sample comprised 155 employees from these banks, selected through a non-probability sampling method. To ensure a representative cross-section of responses, 20 questionnaires were distributed for data

collection. The survey design was cross-sectional, capturing a snapshot of the participants' perceptions at a specific point in time. The questionnaire, administered using a five-point Likert scale, was designed to capture insights into the employees' perspectives on GB practices within their respective banks. The goal was to gather comprehensive data on various dimensions of GB practices, considering the unique context of the Sri Lankan banking sector.

3.4 Sources of Data

To conduct this research study, intend to gather information from various sources. For this, intend to conduct an online questionnaire targeting self-assessed taxpayers in Sri Lanka. In addition, intend to collect data from the annual performance reports published by the Inland Revenue Department (IRD) of Sri Lanka and through research articles related to my study. Also intend to collect information from relevant websites.

3.5 Collection of Data

The online questionnaire will be used as the main source of data collection in this study. This questionnaire consists of open-ended, closed-ended, and semi-structured questions. Open-ended questions ask for suggestions and responses to improve tax compliance. Structured questions ask taxpayers about factors affecting tax compliance. A five-point Likert scale is commonly used for this type of question. And it measures the attitudes, opinions, and perceptions of these taxpayers. The questionnaire

will be distributed via social media and email and responses will be received using Google Forms. In addition, data from annual reports will also be used as information.

4. DATA ANALYSIS AND DISCUSSION

4.1 Data Analysis

4.1.1 Descriptive statistics of demographic factors

The majority of the 123 respondents to the questionnaire were Female. It is 60.2% as a percentage. In terms of age groups, 20 to 29 year old people responded the most to the questionnaire, with a percentage of 56.9%. The majority of the 123 respondents to the questionnaire were unmarried. It is 61%. The majority responded is highest academic education level is Bachelor's degree. It is 47.2%. The people with monthly income from Rs.50000 to Rs.100000 have responded more and it can be stated as 23.6%. People with monthly income above Rs.100000 have responded 26%. Among the responded and a significant number of government sector employees have also responded. It is 74%.

4.1.2 Descriptive statistics of the variables

Descriptive analysis of variables shows average mean and average standard deviation according to the study. According to this analysis most of individual tax payers responses are agree, disagree and neutral.

Dimension	Average Mean	Average Std. Deviation
Tax compliance	2.47	1.137
Tax rate	2.98	1.059
Tax knowledge	2.57	0.973
Probability of detection	2.55	1.011
Fines & Penalties	2.70	1.108
Perception of government spending	2.69	1.064

Table 1. Descriptive statistics of the variables

4.1.3 Reliability analysis

Dimension	Cronbach's alpha value	Comment
Tax compliance	0.922	Reliable
Tax Rate	0.791	Reliable
Tax Knowledge	0.885	Reliable
Probability of detection	0.859	Reliable
Fines & Penalties	0.889	Reliable
Perception of government spending	0.828	Reliable

Table 2. Reliability analysis

According to Table 2, the Cronbach's alpha value was calculated to measure the reliability of variables. The value is above 0.70, means variable is reliable. According to the study all the variables Cronbach's alpha value is greater 0.70. It means variables are reliable.

4.1.4 Regression Analysis

4.1.4.1 Model Summary

R	R square	Adjusted R square
0.667 ^a	0.444	0.421

Table 3. Model Summary

R-square explains how much variability is explained by the independent variables. As shown table 4 R Square was equal to 0.444. Which indicates that the predictor variables in the model can explain around 44% of the variation in tax compliance.

4.1.4.2 ANOVA

Model	Sig.
	.000 ^b

Table 4. ANOVA

If p value is greater than Alpha (p value > α) = Do not reject H₀

If p value is less than Alpha (p value < α) = Reject H₀. P = 0.01, Alpha (α) = 0.05

P value is less than Alpha. Therefore, if P value is less than Alpha we reject H₀. It means model is significant.

Model DV = β IV1 + β IV2 + β IV3 + β IV4 + β IV5

4.1.2.3 Coefficient

According to Table 2, the Cronbach's alpha value was calculated to measure the reliability.

Hypothesis	Beta Value	Sig Value
H1: Tax rate	0.002	0.979
H2: Tax knowledge	0.077	0.463
H3: Probability of detection	0.247	0.038
H4: Fines & Penalties	0.000	0.999
H5: Perception of government spending	0.404	0.001

Table 5. Coefficient Table

If p-value is greater than Alpha (p value > α) = Do not reject H₀

If p-value is less than Alpha (p value < α) = Reject H₀

The above P value of the tax rate, tax knowledge, fines & penalties are 0.979, 0.463, 0.999. Those are greater than Alpha value. So these variables are do not impact tax compliance.

The P value of Probability of detection and perception of government spending are 0.038, 0.001 which are less than alpha value. So these variables are significantly impact with tax compliance.

4.2 Discussion

As the first objective current study is aimed at, identify the relationship between tax rate and tax compliance. In here the calculated P value (0.979) was more than critical P value 0.05. Therefore, the researcher concludes that there is a no relationship between tax rate and tax compliance. The findings of previous researchers are as follows. According to Kirchler et al.'s (2007) findings, tax rate is an important factor in determining tax compliance behavior, but its exact effect is still unclear. Porcano (1988) argued there is no relationship between tax rate and tax compliance. The second objective current study is aimed at, identify the relationship between tax knowledge and tax compliance. The calculated P value (0.463) was more than critical P value 0.05. Therefore, the researcher concludes that there is a no relationship between tax knowledge and tax compliance. According to the previous researches findings tax knowledge has very close relationship with tax compliance. (Singh & Bhupalan, 2001)

The third objective of the study was to identify the relationship between probability of detection and tax compliance. The calculated P value (0.038) was less than critical P value 0.05. Therefore, the researcher concludes that there is a relationship between Probability of detection and tax compliance. A study by Bergman (1998) shows that that probability of being detected plays a significant role in inducing compliance.

The fourth objective of the study was to identify the relationship between fines & Penalties and tax compliance. The calculated P value (0.999) was more than critical P value 0.05. Therefore, the researcher concludes that there is a no relationship between fines & penalties and tax compliance. Further Waithira and Oladipupo & Obazee find there is an insignificant negative effect between fines and penalties and tax compliance. Also, Modugu & Anyaduba revealed that penalties negatively affect tax compliance.

The last objective of the study was to identify the relationship between perception of government spending and tax compliance. The calculated P value (0.001) was less than critical P value 0.05. Therefore, the researcher concludes that there is a relationship between Perception of government spending and tax compliance. Government spending, according to Jayawardene & Low (2016), influences tax compliance behavior in a favourable way.

4.3 Strategies

According to the research, another research objective improve the tax compliance. Most of respondents are saying implement a fair tax system and increase the tax awareness. These are the suggestions they provided for the research study.

- Government should simplify the tax procedures and needs to utilize the same in effective manner.

- The government should reconsider the tax policies and adjust them to suit the country's situation.
- Everyone should have a good knowledge about taxation
- Transparency in tax revenue utilization will make tax payers to comply better.
- Increase awareness

5. CONCLUSION

One of the objectives of this study was to find out the determinants of individual taxpayers after the introduction of the new Inland Revenue Act. Based on the findings of the present study, tax rates, fines and penalties, tax knowledge have a significant effect on the tax compliance behavior of individual taxpayers in Sri Lanka. The remaining objective of the study was to provide recommendations for policymakers and tax authorities on how to improve tax compliance in Sri Lanka. According to the literature, no previous studies have concentrated on how tax awareness and knowledge affect the relationship between key variables and individual tax compliance behavior.

The researchers came to the following conclusions after comparing the results of the current investigation with the theoretical presumptions of the Theory of Planned Behavior. The theory of planned behavior makes predictions about a person's intent to act in a certain way at a particular time and location. A survey design was adopted, and the main method for gathering data was a

questionnaire. Selected sample size was 150. But 123 taxpayers respond to the questionnaire.

The chance of tax rate, tax knowledge, probability of detection, fines & penalties and perception of government spending influence on tax compliance among individual taxpayers in Sri Lanka may all be inferred from the computation using the Pearson moment correlation and multiple linear regressions. However, the study also indicated that Sri Lankan tax payers' decisions on tax compliance are not significantly influenced by tax rate, tax knowledge and fines and penalties. According to the researcher findings probability of detection and perception of government spending is significantly impact the tax compliance.

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The Role of Trust in The Government of Taxpayers on Willingness to Pay Taxes in Sri Lanka: A Study on Individual Income Taxpayers

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ABSTRACT

The objectives of this study were to examine the role of trust in the government of taxpayers on their willingness to pay taxes in Sri Lanka. Government trust researchers utilize tax fairness, tax compliance, and government corruption as indicators for measuring trust in the government. There is a paucity of data regarding trust in the government of taxpayers, on their willingness to pay taxes in Sri Lankan context.

A descriptive cross-sectional design was used. The snowball sampling methodology was employed in this study to choose participants. A sample of 200 income taxpayers in Sri Lanka. This study mainly focus on the gap between the trust the tax payers has towards the government and their willingness to pay taxes. The researcher developed a questionnaire based on literature review and was used as a survey to collect the data. Theory of plan behavior involved

with developing conceptual framework. The study's dependent variable is the willingness to pay taxes, while the independent factors are tax fairness, awareness of tax compliance, and corruption within the Sri Lankan government.

The data were analyzed using Pearson correlation and multiple regression analysis, with the help of SPSS version 27 and Microsoft Excel. The majority of participants were female. (58.1%) The majority of participants belonged to the age range of 18-27. (41%) Most of the participants were employed in the private sector. (53.3%) The majority of participants had an income level ranging from 100,000-150,000. (58.1%) Study shows that all variables are reliable. (Cronbach's alpha more than 0.7) Due to internal consistency.

The findings revealed that there is a significant relationship between tax fairness (P value – 0.000), tax compliance (P value – 0.000),

government corruption (P value – 0.000), towards the willingness to pay taxes. These findings are essential for advancing the existing information on taxpayer's tendency to pay taxes and government trust. Research findings provide valuable insights to policymakers on effective strategies to improve tax collection and revenue generation in Sri Lanka..

Keywords— Taxation in Sri Lanka, Corruption in government, Tax compliance, Tax fairness, Willingness to pay taxes.

1. INTRODUCTION

Governments globally need funding to meet citizen expectations. Nationwide taxes are necessary financial charges. The financial and taxing structure of a nation affects income distribution, resource allocation, social goals, and economic stability. Taxation boosts domestic investment, government savings, and debt reduction. World governments rely heavily on income tax. The researcher focuses on taxpayer trust in the government due to the nation's economic situation in this study. When the economy grows with taxpayers' aid, they may pay taxes without hesitation.

The government of Sri Lanka struggles to collect taxes due to the low voluntary compliance of taxpayers. The Sri Lankan government took many steps to increase tax compliance, but they failed. Since 1932, Sri Lanka's Inland Revenue Department (IRD) has administered income tax. Individuals, partnerships, sole-proprietorships, and companies can

pay income tax to the IRD. The December 2022 tax revenue in Sri Lanka was 5.458 USD bn. (Ceicdata, 2023) Despite taxation being a main source of revenue, Sri Lanka has struggled to raise enough tax money to fund public services, social welfare, and economic development. Providing citizens with what they want would increase taxpayer satisfaction, improving the country's economy. (Stankevicius & Leonas, 2015)

Taxpayers in Sri Lanka have lost trust in the government due to years of corruption. Additionally, political instability, high inflation, and high tax rates are causing taxpayers to lose faith in the government. Thus, the researcher found that the above variables cause taxpayers to lose faith, and this study focuses on the mainly in here research gap between taxpayers' trust in the government and their desire to pay taxes. This study examined how much taxpayers trust the government, which affects their willingness to pay taxes.

Trust is fundamental to social unity, economic growth, and government efficiency. Taxpayers' willingness to pay taxes depends on their trust in the government. Thus, this study must determine the relationship between willingness to pay taxes and fairness in taxation, tax compliance awareness, and Sri Lankan government corruption.

It examined the relationship between Sri Lankan taxpayer willingness to pay taxes, fairness in taxation, tax compliance awareness, and government corruption. The goal is to create

successful policies and actions that raise taxation and other government revenue. This study will affect several SGD targets directly and indirectly. To indirectly improve health, education, and employment and directly boost economic growth.

2. LITERATURE REVIEW

There is growing research on taxpayer compliance and government trust. In Sri Lanka, Jayawardane and Low (2016) found that government trust predicted tax compliance. The study indicated that trust in the government predicted tax compliance more than tax system reliability. (Jayawardane & Low, 2016) Another study by Prihandini, Zuhri, and Jahja (2019) found that government trust was a key indicator of tax compliance among Indonesian SMEs. The study indicated that government trust predicted SME tax compliance more than other criteria. (Prihandini, Zuhri, Jahja, 2019) The degree to which taxpayers agree with the rules depends on faith in government, according to this research. In countries with strong system confidence, taxpayers are more willing to give money to the government. It may increase government revenue and improve services for everyone.

Studies show that when the economy grows, taxpayer satisfaction will rise. Muche (2014) studied Ethiopian taxpayers' tax collaboration motivations. Fairness, taxpayer opinions, audit risk, tax knowledge, revenue office service delivery efficacy, educational status, family size, taxpayer tenure, and age were independent factors. (Muche,

2014) Andreoni, Erard, and Feinstein (1998) describe tax compliance as taxpayers' desire to follow tax laws to maintain economic stability. (Andreoni, Erard, Feinstein, 1998) Kirchler (2007) said tax compliance best described a taxpayer's willingness to pay taxes. (Kirchler, 2007) Tax compliance is the ability and desire of taxpayers to comply with tax regulations, reveal the correct amount of income each year, and pay taxes on time. Many tax authorities utilize this definition.

Jayawardane and Low (2016) examined how taxpayer perceptions affect tax compliance in Sri Lanka. (Jayawardane & Low, 2016) The analysis found that the tax system is unfair and high. Inadequate tax audits, poor detection probability, negligent IRD enforcement, tax system complexity, and attitudes on government expenditure also affect whether people pay their taxes. All tax evasion studies address why people do it and how they connect. Preventing tax evasion is the first step to solving the problem. Without strong tax fraud enforcement, "Avoiding taxes" is passed down from generation to generation, which is terrible.

Torgler (2011) found that financial satisfaction and pleasure affected tax payment in Latin America and Asia. Torgler (2011), Tax Morale and Compliance Review of Evidence and Case Studies for Europe Several factors can affect taxpayers' tax compliance. Research shows that non-economic variables are equally important as economic factors like tax rates and

income levels, although economic factors affect behavior. Frey, Torgler (2006) found that taxpayers' tax morale, opinions of fairness, norms in society, and faith in tax authorities affect their compliance behavior. (Frey & Torgler, 2006)

Trust in government is "the belief that the government will act in the best interests of its people." Faith in the government makes taxpayers feel like their taxes are being used productively and that the government is not corrupt. Because of this, people may pay taxes more willingly. Taxpayers' faith in the tax system also affects tax compliance, according to Torgler and Schneider (2006). Because trust in the tax system encourages tax compliance. Respect and trust can help create a more united tax culture and improve compliance, according to Murphy and Tyler (2008). (Murphy & Tyler, 2008)

Faith in government can enhance tax compliance for numerous reasons. First, those who trust their governments are more willing to think their money is well spent. It appears that people are more willing to pay taxes if they believe they are getting something in return. This also means their donations will increase government revenue. (Haning, Hamzah, Tahili, 2020) Taxpayers who trust their government are less likely to have concerns about tax cheating being caught. Their misperception is that the government is just and will not attack them unfairly. This increases their desire to pay taxes. (Beeri, Zaidan, & Zeedan, 2021)

Anderson (2017) examined citizens' trust in governments and tax compliance in changing economies. They found that trust in the government increased citizens' willingness to pay for public services. Additionally, higher-income citizens were more likely to trust all social organizations, including the government. Wealth was a key factor in people's trust in social organizations. Their findings showed that higher-income people were more willing to pay for public goods.

Fairness is a major aspect in taxpayer willingness. Sri Lankans often think the tax system is unfair, which might lower paying taxes. Jackson and Milliron (1986) found that taxpayers who thought the tax system was unfair were more likely to evade it. (Jackson & Milliron, 1986) The common belief that Sri Lanka's tax system is unfair has many connected causes. The following: Tax system understanding difficulty, Complexity makes Sri Lanka's tax system hard to grasp. Because of this, taxpayers may not comprehend their tax duties, leading them to believe the tax system is unfair. The extent of corruption follows. Bribery and diversions are believed to be extensive in Sri Lanka's tax administration. This may mislead people into thinking their tax money is being wasted, reducing their incentive to pay. Last is tax evasion's scope. Tax avoidance affects Sri Lanka. This may cause taxpayers to feel unfairly targeted by the tax authorities and reduce their desire to pay taxes. The Kehelwalatenna and Soyza (2020) study illustrates this. Those who

pay their taxes in Sri Lanka are more likely to think their tax system is fair, according to the survey (Kehelwalatenna, Soyza, 2020).

Sri Lanka's government aims to promote tax compliance by simplifying tax procedures and providing transparent tax information. James found in 2016 that streamlining tax procedures increases taxpayer satisfaction and voluntary compliance. Improving tax-funded public services may persuade people to comply. According to Bird (2008), taxpayers are more motivated to pay taxes when they believe they benefit society and improve public services. (Bird, 2008) Sri Lanka organizes public awareness and education initiatives to enhance tax compliance and knowledge. These activities aim to educate people on their tax obligations and the importance of tax compliance for economic growth. Perera and Jayasinghe (2023) found that such initiatives may encourage taxpayers to pay. (Perera & Jayasinghe, 2023) Sri Lanka's government uses technology to simplify tax compliance. E-filing systems use this method. E-filing may increase tax compliance and taxpayer convenience (Sri Lanka Inland Revenue, 2023).

A lot of studies suggest that corruption may reduce people's willingness to pay taxes. Torgler (2007) discovered that people were less likely to pay taxes if they thought the government was corrupt. (Torgler, 2007) Lack of government accountability increases corruption perceptions, according to

Bauhr and Grimes (2014). Taxpayers may be less likely to comply if they believe the government is not transparent and responsible (Bahur & Grimes, 2014).

Prior research has shown that government corruption affects taxpayer tax compliance. This challenge must be overcome. Kinyondo and Byaro (2019) research illustrates this. Taxpayers' willingness to pay is negatively correlated with their view of government corruption in Tanzania. (Kinyondo & Byaro, 2019) Successfully implementing strategies to combat corruption and promote transparency and accountability in government institutions could improve the public's perception of fair taxation and encourage taxpayer compliance in Sri Lanka. These methods eliminate corruption and increase transparency and accountability. This study examines whether Sri Lankan government corruption affects taxpayers' paying their taxes.

3. METHODOLOGY

This study examines how taxpayer trust in the government affects their tax payment in Sri Lanka. This goal will be achieved using mono-method quantitative research. This method will reveal the factors that affect taxpayers' willingness to pay taxes and how trust affects tax compliance. Deductive approaches focus on the causal links between concepts and variables, define concepts, and to some extent generalize research results. When measuring Sri Lankan taxpayers' trust in their

government and willingness to pay taxes. The government said that 2.6% of Sri Lanka's 4.64 million workers pay income tax. (Daily mirror, 2023) My research population will be all 2.6 percent of Sri Lankan taxpayers. This cross-sectional study collected data once. The unit of analysis is people. (Taxpayers). This research used 20 taxpayers in a pilot study. These study participants represent all Sri Lankan taxpayers. Only 200 Sri Lankan taxpayers were sampled. Sample size is based on research. (Thayaparan, Sewwandi, & Gunathilaka, 2021) Study data was collected using snowball sampling.

To determine tax willingness, a google form and questionnaire are needed to address the three primary components of this study. Data will be collected from a representative sample of 200 Sri Lankan taxpayers using a questionnaire and Google Forms. This study uses quantitative methods. The data was analyzed using Microsoft Excel and IBM SPSS Statistics 27 after acquisition. These software tools were used to build a regression model, check data precision and reliability, and test research hypotheses.

Positivism will guide the research as it seeks to understand taxpayers' views on government and taxation. Surveys were used to combine research philosophy with choice in this investigation. Here, use Google forms questionnaire.

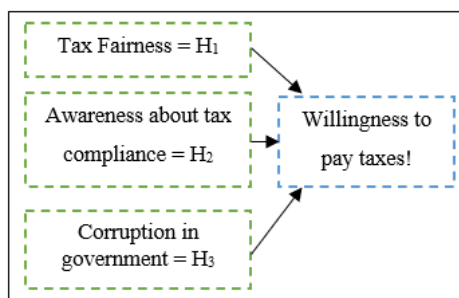


Figure 1. Conceptual Framework

4. RESULTS

4.1 Sample profile of respondents

Table 1 displays demographics of respondents, including gender, age, education level, main employment, marital status, and income level.

Gender	<i>f</i>	%
Male	88	41.9
Female	122	58.1
Age Level		
18-27	86	41.0
28-37	51	24.3
38-47	26	12.4
48-57	37	17.6
58-67	10	4.8
Education Level		
Up to G.C.E Advanced Level	9	4.3
Undergraduate	49	23.3
Bachelor's degree	68	32.4
Postgraduate	64	30.5
Other – Professional Qualifications	20	9.5
Nature of the main employment		
Private Sector	112	53.3
Government sector	98	46.7

Marital State		
Single	104	49.5
Married	106	50.5
Income Level		
100,000 – 150,000	122	58.1
150,001 – 200,000	32	15.2
200,001 – 250,000	21	10.0
250,001 – 300,000	18	8.6
Above 300,000	17	8.1

Table 1 - Demographic profile of the respondents

According to the table 01, Most study participants are women. This represents 58.1% of 210 participants. Males comprise 41.9% of the remaining respondents. 41% of responders are 18–27. Thus, the 18–27 age group has the most responses. 32.4% have bachelor's degrees. This suggests that bachelor's degrees receive the most answers. The lowest percentage is 4.3% for GCE Advanced education. Private sector participants dominated this investigation. This represents 53.3% of 210 participants. Most of this study's participants are married. This represents 50.5% of 210 participants. Singles comprise 49.5% of respondents. 58.1% earn 100,000–150,000. This suggests that the income range 100,000–150,000 had the most responses. Income beyond 300,000 has the lowest rate at 8.6%. The lowest proportion overall. As shown in Figure 1, income tax-eligible respondents were divided into five age groups

4.2 Test of reliability

A reliability test was performed before correlation and regression analysis to ensure questionnaire data quality. Dimensional Cronbach's Alpha Coefficient findings are in Table 2.

The variable	Cronbach's Alpha	Conclusion
Tax Fairness	0.777	Reliable
Awareness about tax compliance	0.752	Reliable
Corruption in government	0.764	Reliable
Willingness to pay taxes	0.889	Reliable

Table 2 - Reliability Testing

Table 02 shows that tax fairness, awareness of tax compliance, and government corruption on willingness to pay taxes in Sri Lanka are all more than 0.7.

This shows that all study variables are reliable. Due to internal consistency, all variables can be measured using the same things. The factors studied in this study generate reliable and consistent outcomes. Cronbach's alpha for reliability willingness to pay taxes is 0.889, which is high. Awareness of tax compliance had the lowest internal consistency in this study, with a Cronbach's Alpha of 0.752. This shows the least reliability of this variable.

4.3 Correlation Analysis

Table 03 indicates a positive correlation between taxpayer willingness to pay taxes and determinants such as tax fairness, tax compliance, and ideas about corruption in governments.

Variables	Items	Attitudes
Tax Fairness	Pearson Correlation	0.883
	Significant (2-tailed)	0.000
Awareness of Tax Compliance	Pearson Correlation	0.551
	Significant (2-tailed)	0.000
Idea about Corruption in Government	Pearson Correlation	0.237
	Significant (2-tailed)	0.000

Table 3 - Correlation of coefficients across the variables

In table 03. Tax fairness strongly positively correlates with tax payment. The connection is 88.3% (tax justice increased willingness to pay taxes, proving their relationship). Tax fairness strongly affects taxpayer willingness. A significant value shows an important association.

Tax compliance awareness and willingness to pay are moderately positively correlated. The connection is 55.1% (tax compliance awareness increased tax payment desire, proving their relationship). Tax compliance knowledge moderately affects tax payment. A significant value shows an important association.

Government corruption has a low but considerable positive association with tax payment. The connection is 23.7% (government corruption increased tax willingness, proving their relationship). The association between tax compliance awareness and tax payment is minimal. A significant link exists here.

4.4 Multiple Regression Analysis

In table 04, the model summary simplifies determining how much the independent and dependent variables

vary. Calculating the updated R-squared statistic (coefficient of determination) reveals this.

R-squared also shows how well independent variables can be used to evaluate the dependent variable. A measurement of how much of the variance in the variable can be explained by the independent variable. An increase in R-squared will improve model performance.

Based on R², 0.856, this study explains 85.6% of the variance and 14.4% of the rest. R² is 85.6%. By showing how much variation a model explains, the R-Square Value shows its effectiveness. Models provide this information. The data show that “willingness to pay taxes” accounts for 85.6% of the variance in all other components.

R Square	0.925		
Adjusted R square	0.856		
Model Significance	0.000		
Hypothesis Testing	β	Significance	Accept/Reject
H1	1.199	0.00	Reject H0
H2	-0.408	0.00	Reject H0
H3	0.090	0.00	Reject H0

Table 4 - Model Summary

The results are statistically significant according to the ANOVA table p-value of 0.000. The independent variable and dependent variable are statistically associated if the p-value is less than 0.05. More specifically, a statistically significant link exists if the p-value is less than 0.000.

Significant regression results indicated tax fairness values below 0.05. H1 can be accepted because H0 was rejected. Tax fairness affects Sri Lankans' desire to pay taxes by 111.9%, according to the beta coefficient of 1.119. As noted, this relationship is good. One unit of tax fairness could raise Sri Lankans' willingness to pay taxes by 1.119 units.

Significant regression results indicate that tax compliance awareness was less than 0.05. H0 was refused, so H2 is acceptable. In Sri Lanka, tax compliance awareness affects willingness to pay taxes by - 40.8%, according to the beta coefficient of -0.408. As indicated, this relationship is bad. Sri Lankans will pay more taxes if they have knowledge of tax compliance.

Significant regression results indicate government corruption values below 0.05. H3 can be accepted because H0 was rejected. Sri Lankans' desire to pay taxes is 9% affected by government corruption, according to the beta coefficient of 0.090. As noted, this relationship is good. If government corruption decreases, more people pay taxes.

5. DISCUSSION

The study demonstrated a positive and significant link between the independent variable "tax fairness" and the dependent variable "willingness to pay taxes in Sri Lanka." In addition, the study Alm & Torgler mentioned that there is a statistically significant relationship between tax fairness and desire to pay taxes. According to the findings of this

study, people in Sri Lanka are more inclined to pay taxes when the tax system is fair.

The study shown a positive and significant link between the independent variable "awareness about tax compliance" and the dependent variable "willingness to pay taxes in Sri Lanka." In addition, Perera and Jayasinghe study concluded that there is a statistically significant relationship between awareness of tax compliance and willingness to pay taxes in Sri Lanka. The findings of this study demonstrated that people's desire to pay taxes in Sri Lanka increases as they become more aware of tax compliance.

The study revealed a positive and significant link between the independent variable "corruption in government" and the dependent variable "willingness to pay taxes in Sri Lanka." Torgler study in 2007 concluded that there is a statistically significant relationship between awareness of government corruption and willingness to pay taxes. Also Bauhr and Grimes's study revealed it is possible for taxpayers' desire to comply with their responsibilities to be significantly impacted when they perceive a lack of transparency and responsibility in the measures taken by the government. The findings of this study demonstrated that people's willingness to pay taxes in Sri Lanka increases as they become more aware of government corruption. Thus, faith in the government is critical in this context.

6. LIMITATIONS

This research shows that it met all research ethical and management science standards. Because of this, the study has certain intrinsic limitations that can be addressed by future research. To maximize research time, this study used a cross-sectional design with one sample and data collecting. A lengthier, more in-depth investigation is needed for a clearer view. The study examined only the most important characteristics of Sri Lankan tax willingness. However, the research cannot examine or emphasize numerous additional factors. Most of the data was acquired using self-administered questionnaires, so exploratory study missed important variances.

No more than 200 responses were allowed per analysis. Changes in sample size affect the reliability and validity of results and conclusions. The study also used Google Forms questions. Self-selection bias may exist when people take these surveys at their own leisure.

7. CONCLUSION

This research aimed to examine and analyze the relationship between taxpayer trust in the government and tax payment in Sri Lanka. Three characteristics of tax readiness were found by the researcher. Variables include tax fairness, tax compliance awareness, and government corruption. After identifying relevant resources, the researcher built a conceptual framework based on dimensions.

The researcher also operationalized each variable by identifying various dimensions and indicators. This allowed the researcher to assess operationalization effectiveness. The researcher collected data mostly via the questionnaire and analyzed it using IBM SPSS statistical version 27. The researcher also tested their theory using correlation analysis.

Based on the survey data, the researcher established a substantial and positive association between independent and dependent variables. The study found a statistically significant relationship between tax fairness, tax compliance awareness, government corruption, and tax willingness in Sri Lanka. Study findings included this. Thus, future researchers are aware of this study's flaws and can focus on strategies to mitigate them in their own investigations.

This study examines the relationship between Sri Lankan taxpayers' faith in the government and their ability to pay their fair share. These studies examined how tax fairness, tax compliance awareness, and government corruption affect Sri Lankans' willingness to pay taxes. This endeavor aims to produce effective policies and operations that can boost the government's tax and other income.

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ABSTRACTS

The Impact of Macroeconomic Variables on Firm's Financial Performance in Hotels and Hospitality Industry in Sri Lanka

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ABSTRACT

PURPOSE: This study aimed to investigate the influence of macroeconomic variables on the financial performance of hotels and the hospitality industry in Sri Lanka. Specifically, the study aimed to analyze the impact of average annual exchange rates, weighted average prime lending rates, and average annual inflation rates on the Return on Assets (ROA) and Return on Equity (ROE) of 31 hotels and hospitality companies listed on the Colombo Stock Exchange over the period from 2018 to 2022.

METHODOLOGY: Secondary data was collected from the annual financial statements of the selected companies and employed descriptive and regression analysis techniques using EViews 12 software. The dependent variables were ROA and ROE, while the independent variables included average annual exchange rate (USD/LKR), weighted average prime lending rates, and average annual inflation rate measured by annual percentage changes in the consumer price index.

FINDING: The findings revealed that inflation rates had a positive impact on ROA, and a negative impact on ROE although these impacts were not statistically significant. Furthermore, interest rates were found to have a positive impact on both ROA and ROE, but these impacts were not statistically significant. Exchange rates were found to have a positive impact on both ROA and ROE, but again, these impacts were not statistically significant.

SIGNIFICANCE OF THE STUDY: This study holds shedding light on the interplay between macroeconomic variables and the financial performance of hotels and the hospitality sector in Sri Lanka. By analyzing data from 31 companies listed on the Colombo Stock Exchange over a four-year period, the study provides valuable insights into how factors such as exchange rates, lending rates, and inflation rates impact key financial metrics like Return on Assets (ROA) and Return on Equity (ROE).

These findings offer practical implications for industry practitioners, helping them formulate more informed financial strategies and make sound investment decisions. Additionally, policymakers can leverage this research to develop policies conducive to the growth and stability of the hospitality sector. Furthermore, the study contributes to the academic discourse by adding to the existing body of knowledge on the relationship between macroeconomic variables and financial performance in the hospitality industry.

KEYWORDS: Macroeconomic variables, Financial Performance, Inflation Rate, Exchange Rate, Bank Interest Rate, Return on Assets, Return on Equity

The Impact of Entrepreneurship Education on Entrepreneurial Intention: The Perspective of Accounting and Finance Undergraduates in Sri Lanka

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ABSTRACT

PURPOSE: This research study is conducted on the factors affecting entrepreneurial intention of undergraduates in Sri Lanka through entrepreneurial education. This helps to understand, identify and gain knowledge about the factors affecting entrepreneurial intention. Due to a gap in the field of entrepreneurship, the study focuses on entrepreneurship through data collected from undergraduate students pursuing accounting and finance degrees.

METHODOLOGY: Accounting and Finance undergraduates in Sri Lanka were selected as the population of this research and 200 of Accounting and Finance undergraduates from private universities, government universities and self-funded universities were selected as the sample. This research was conducted as quantitative research and primary data was collected through a questionnaire. The data was analyzed using SPSS software.

FINDINGS: The findings revealed that both subjective norms and perceived behavioral control for entrepreneurial education have a significant impact on the entrepreneurial intentions of undergraduates. The analysis indicated that undergraduates are likely to form intentions to become entrepreneurs when they are influenced by their close family members, friends, and other influential acquaintances to pursue entrepreneurial education. However, perceived behavioral control plays an even more significant role; if undergraduates believe in their own ability to undertake entrepreneurial educational activities, they are much more likely to develop a strong intention to do so.

SIGNIFICANCE OF THE STUDY: This study discussed the factors that affect Accounting and Finance undergraduates' entrepreneurial intention. The insights from this study would assist the educators to tailor educational programs and create supportive environments that foster entrepreneurial spirit among

undergraduates, potentially contributing to the country's economic development through the nurturing of future entrepreneurs.

The findings, suggest that enhancing students' self-belief in their ability to access and gain entrepreneurial education could significantly boost their intention to engage in entrepreneurship.

KEYWORDS: Entrepreneurship, Entrepreneurship education, Entrepreneurial event theory, Theory of planned behavior

Applying Stakeholder Theory to Analyze Green Accounting Practices: The Perspective of Accounting Practitioners

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ABSTRACT

PURPOSE: This study aimed to clarify the relationship between stakeholder theory and green accounting practices, specifically focusing on accounting professionals in different industries in the Colombo District. The objective of the study was to evaluate the impact of key concepts of stakeholder theory, including entry and exit, externalities, comparison cost, limited immortality, agency, and governance, on the adoption and execution of green accounting practices.

METHODOLOGY: This is a quantitative, cross-sectional study. Data was gathered using a standardized questionnaire that was administered to the community of accounting professionals. Data was analyzed using SPSS software.

FINDINGS: The results demonstrated strong correlations between stakeholder theory principles and the incorporation of ecologically responsible accounting practices. The principle of agency exhibited a noteworthy and substantial positive relationship with green accounting practices, highlighting the crucial importance of integrating stakeholder interests with ecological sustainability. Furthermore, the concept of limited immortality had a significant influence on the implementation of green accounting, emphasizing the long-lasting dedication of organizations to environmental responsibility.

SIGNIFICANCE OF THE STUDY: These empirical observations shed light on an important aspect of sustainable business practices, offering a strong basis for improving corporate responsibility and openness in terms of environmental performance. This study has consequences that go beyond academia, providing practical assistance for accounting practitioners, policymakers, and organizations seeking to strengthen their environmental reporting standards. This research enhances the understanding of the mutually beneficial connection between organizational stakeholders and environmental sustainability by incorporating stakeholder theory into the examination of green accounting practices.

The insights could contribute to the development of a business climate that is more conscious of ecological concerns. The findings inform accounting professionals, policymakers, and stakeholders about the importance of integrating sustainability considerations into accounting practices for a more holistic and environmentally conscious business environment.

KEYWORDS: Stakeholder Theory, Green Accounting, Accounting Practitioners, Entry and Exit Principle, Governance Principle, Externalities Principle, Contrast Cost Principle, Agency Principle

Factors Affecting the Adoption Intention Towards Shadow Banking with Reference to The Business Loans by SME Entrepreneurs in Western Province of Sri Lanka

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ABSTRACT

PURPOSE: This study aimed to identify the factors that impact the intention of Small and Medium Enterprises (SMEs) to adopt shadow banking. Accordingly, perceived trust, perceived ease of use, and perceived risk were selected based on prior research in order to measure the impact of them on the adoption of shadow banking.

METHODOLOGY: This is a quantitative, cross-sectional study undertaken within the positivism philosophy. The sample comprised of 213 SME business loan holders in the Western Province of Sri Lanka. Survey method was used, and primary data was collected using a self-administered questionnaire. Data analysis involved descriptive and quantitative analysis using the SPSS statistical package.

FINDINGS: The findings posit that the Perceived Trust, Perceived Ease of Use, and Perceived Risk significantly and positively impact the Intention to Adopt Shadow Banking practices among the business loan holders of SMEs. Among the factors Perceived Ease of Use has more impact on the intention to adopt shadow banking compared to Perceived Trust and Perceived Risk.

SIGNIFICANCE OF THE STUDY: The insights generated from the study will be useful to the banking sector to understand what draws SME owners in the Western province of Sri Lanka to shadow banking sector and steps required to incorporate such into the regular banking system. Furthermore, this study reveals that perceived ease of use has a strong impact on the intention to adopt shadow banking practices highlighting the importance of user-friendly interfaces, straightforward procedures, and accessible service.

This study further informs the policymakers regarding the factors to consider when

developing regulations and support systems that facilitate a balance between enabling access to credit through shadow banking and safeguarding against potential systemic risks.

KEYWORDS: Perceived Ease of Use, Perceived Risk, Perceived Trust, Shadow Banking

The Factors Affecting Investment Intention of The Young Generation in Sri Lanka

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ABSTRACT

PURPOSE: This study aimed to identify the factors impacting the investment intention of the young generation in Sri Lanka. Accordingly, attitude, subjective norms, and perceived behavioral control were selected based on prior research to measure their impact on the investment intention.

METHODOLOGY: This is a quantitative, cross-sectional study undertaken within the positivism philosophy. The sample comprised 224 individuals aged between 15 to 25. The survey method was used, and primary data was collected using a self-administered questionnaire. Data analysis involved descriptive and quantitative analysis using the SPSS statistical package.

FINDINGS: The findings posit that the Attitudes toward investment and perceived behavioral control significantly and positively impact the individual investment intention whereas subjective norms did not display a significant impact on the investment intention.

SIGNIFICANCE OF THE STUDY: Understanding the factors influencing the investment intention of young adults in Sri Lanka holds paramount significance for various stakeholders. By delving into this subject, the study can illuminate pathways for fostering financial literacy and responsible investment behavior among the youth, thereby contributing to the nation's economic development and stability. Insights gained from the study can inform policymakers, financial institutions, and educators about the specific needs and challenges faced by young adults in Sri Lanka concerning investment decisions,

leading to the development of targeted interventions and policies aimed at promoting financial inclusion, risk management, and cultural sensitivity. Ultimately, the findings can empower young adults to make informed investment choices, enhancing their financial well-being and contributing to the overall prosperity of Sri Lanka.

KEYWORDS: Attitude, Subjective Norms, Perceived Behavioral Control, Investment Intention

Impact of Demographic Factors and Financial Literacy on Crypto-Currency Investment in Sri Lanka

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ABSTRACT

PURPOSE: This study aimed to identify the impact of demographic factors and financial literacy on cryptocurrency investment intention in Sri Lanka.

METHODOLOGY: This is a quantitative, cross-sectional study undertaken within the positivism philosophy. The sample comprised 110 potential crypto-currency investors identified via online crypto-currency trading groups. The survey method was used, and primary data was collected using a self-administered questionnaire. Data analysis involved descriptive and quantitative analysis using the SPSS statistical package.

FINDINGS: The findings posit that demographic factors gender, age, education level, occupation level, and subjective financial literacy do not impact the crypto-currency investment intention significantly. However, Individual Income Level and objective financial literacy have a significant impact on financial literacy.

SIGNIFICANCE OF THE STUDY: Examining the factors influencing cryptocurrency investment intention in Sri Lanka is of paramount importance due to the growing global significance of cryptocurrencies and the rapid adoption of digital assets in financial markets. Understanding the specific drivers and barriers to cryptocurrency investment among Sri Lankan investors can provide critical insights for policymakers, regulators, and financial institutions seeking to navigate this rapidly evolving landscape. By identifying key factors such as regulatory

environment, technological infrastructure, risk perception, and financial literacy, this study can inform the development of targeted interventions and policies aimed at promoting responsible and informed cryptocurrency investment practices. Moreover, insights gained from this research can empower investors, particularly young adults, to make sound investment decisions in the realm of digital assets, thereby contributing to financial inclusion, economic development, and the overall advancement of Sri Lanka's financial ecosystem in the digital age.

KEYWORDS: Demographic Factors, Crypto-Currency Investment Intention, Financial Literacy