

**THE IMPACT OF THE FACTORS ON THE
RECOVERABILITY OF NONPERFORMING
LOANS OF SELECTED COMMERCIAL BANKS
IN KEKIRAWA DIVISIONAL SECRETARIAT
AREA**

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Abstract

Kekirawa is one of the DS Area in Anuradhapura district which economically depends on the cultivation. This is still a developing DS Area. Farming and paddy Cultivation are the main source of income. Most people of this DS Area raise funds for their cultivation and investment activities through the commercial banks. But since of late loan recovery is a critical problem. But since of late loan recovery is a critical problem. That means banks have to dedicate their valuable time to recover these commercial loans. This is a problem faced by all commercial banks in Kekirawa DS Area.

Kekirawa is one of the DS Area in Anuradhapura district which economically depends on the cultivation. Therefore it will affect to the economy in fully. The community is less educated and they have only general knowledge regarding things. The new technology is not widely spread in the area. People are less educated about the banking sector; therefore banks have to face many problems in post financing. This research mainly focuses on this issue.

Under this section, the scientific and the methodical approaches of the research are discussed. This research is going to discuss about the survey method, measurement of variables, validity and reliability of questionnaire, population and sampling, data collection and method of data analysis.

Hypothesizes were developed by the researcher at the beginning of the study. According to hypothesizes, except Cultivation. Savings and Rotation of Jobs other independent variables has a positive relationship with the Recoverability of nonperforming loans in Kekirawa Divisional Secretariat area. After analyzing the data by using Pearson's Correlation, factors such as Financial Attitudes, Communication shows a positive relationship with Recoverability of nonperforming loans. But Cultivation, Savings and Rotation of Jobs shows a negative relationship with Recoverability of nonperforming loans. Therefore 3 hypotheses were accepted while 2 were rejected.