

Chapter-VI

Summary of findings, suggestions, limitations, future research directions and conclusion.

6.1 Introduction:

This chapter summarises the conclusions reached with respect to the research questions and hypotheses developed in this study. This chapter starts with recapping the research problem, the research objectives and the hypotheses before stating the conclusions reached on each research questions. Lastly, the limitations of the research and some areas for further research are identified. This chapter will be ended with conclusion.

6.2 Research problem and conclusions:

MSME sector is considered to be an engine of growth, especially in an emerging country like India due to their aid to income generation, employment, GDP and export earnings. Cottage industries (forming part of MSMEs), from the other side also called household industries, are controlled by individuals with private funds and in association with other family members and are execute as full-time or part-time occupation. The capital investment requirement is less and the equipment's used are simple. These small businesses usually use locally available resources, raw materials and indigenous skills. The output produced in each industrial unit is generally sold in local market. Such industries can be managed with little resources and in terms of returns provide much better results. Micro, Small and Medium Enterprises (MSMEs) are showing their influence on national and regional economies in all over the world. They have been acknowledged in both developed and developing countries as a fruitful tool for generating employment opportunities with a small amount of capital investment.

It is understood that there is a significant role of MSMEs for the inclusive development of Indian economy as it contributes significantly to our countries GDP, creates employment and ensures effective use of natural resources. Good number of research work is available on small business and in particular about small business failure rates (Watson and Everett, 1996). Nevertheless, the most significant reason for this high failure rate is the inability of small business units to make adequate use of important business and management practices. Many small firms fail to develop an initial plan, and those who are able to establish a plan fail to make it up to date and use it as a

benchmarking tool. Similarly, Wichmann (1983) claimed that one of the causes for business failure is inefficient management of business which includes accounting problem-solving. Accounting control is vital for success of a business whether small or large. Therefore, good financial records must be constantly maintained in business if it is to have effective financial control (Pickle and Abrahamson, 1990). Sound record keeping and analysis can generally increase the possibility of solving many unseen problems early. Financial management comprises essentially the planning and control of financial resources that is money. To be a good owner/manager, one has to cultivate the art of analysing and interpreting financial statements, which are prepared using money as a measure. To prevent their units from spinning 'out of financial control', a small business owner "should start with good control system right from the beginning so that there is constant knowledge about what is going on" (Peters and Waterman, 1994). Further, Hopper et al. (1999) using data based on the results from Japanese companies 'concluded that a failure to adopt management accounting practices specially in the area of cost management systems in a similar way to their larger counterparts and to use of new forms of control techniques that are more profit oriented may be a factor in the currently high failure rate of small businesses.

Holmes and Nicholls (1989) in an Australian context, indicates that management accounting information, its usage or non-usage is associated with success (and failure) in SMEs. They also commented that SMEs has a potentially important influence on performance within the Australian economy. Considering these relative importance of SMEs as an initiators of economic well-being reinforces the significance for research in this particular area.

Accounting aspect of a small business is often assumed as most neglected area, because owners/managers of the small enterprises do not understand its functions and utilities for business survival and growth. As a result, the simplest items, like keeping track of cash or tracking exactly how the business is doing, get lost (Peters and Waterman, 1994). They recommended that small businesses owners/managers should "look at this kind of information as a proactive management tool, not merely as historical information". Another study by Potts (1992) on financial accounting and control techniques in small business concludes that "the clearest and most startling differences between successful and discontinued small business lies in their approach to the uses which can be made of accounting information"

For these reasons MSMEs offer a potentially rewarding location for investigating financial and management accounting practices and exploring the factors underlying their development. At present in Tripura there is a shortage of information on the perceived awareness and extent of use of financial and management accounting practices among the MSMEs of Tripura. Given their small size especially in the context of developing countries, there is a possibility that MSMEs do not aware about tools and techniques available for managing small businesses and inability to take full advantage of the opportunities that may create better accounting information for business decision making. The absence of data on financial and management accounting practices in MSMEs has perhaps prevented the Indian regulators/policy makers from taking actions that might improve the functioning of Indian MSMEs. Consequently, there are significant gaps in the knowledge base relating to awareness of financial and management accounting practices and their uses for better management of MSMEs in Tripura and in India as well, which should be filled on the grounds that the information provided may strengthen government policy towards the sector.

Therefore given the significant economic importance of MSMEs and the gap in the literature, this researcher aims to obtain a broad overview of awareness and use of financial and management accounting practices within the MSMEs of Tripura, their roles in the management of MSMEs.

Research Objectives:

- 1) To assess the level of perceived awareness of the owner-manager of MSMEs about the tools and techniques of accounting system.
- 2) To examine the pattern of managerial use of the Accounting tools and techniques by the micro, small and medium enterprises.
- 3) To evaluate the impact of financial and management accounting practices on the survival and growth of the micro, small and medium enterprises.

Hypotheses:

H₁: There is a low level of awareness about the tools and techniques of accounting system among the owner/ manager of MSMEs.

H₂: There is a lack of synergy in the application of Financial and Management accounting tools and techniques among the MSMEs.

H₃: There is no impact of uses of accounting tools and techniques on the growth and survival of MSMEs of Tripura.

6.3 Findings on research objective number -1:

Perceived Awareness about financial accounting tools and techniques:

Perceived awareness about the financial accounting tools and techniques are quite high among the owner/manager of responding MSMEs of Tripura. As per importance profit & loss accounting got the 1st rank with 87.58% response rate, this result followed by debtors book, creditors book, cash book and balance sheet with 2nd rank (84.58%), 3rd rank (83.08%), 4th rank (80.91%) and 5th rank (72.42%) respectively. Importance of the remaining accounting tools and techniques are in similar line with the usage rate of these techniques.

Perceived Awareness about financial accounting tools used to monitor/track financial performance:

Perceived awareness of cash and bank balance as a financial performance tracker acknowledged by 73.64% of respondents rating it as either moderately important or important. In case of Profit & Loss account and Balance Sheet seems to have considerable perceived awareness; 70% and 38.79% of respondents rated these techniques in two forms either moderately important or important. Perceived awareness for remaining four tools & techniques are significantly low among the owner/manager of responding MSMEs of Tripura.

Perceived Awareness about Accounting Ratios:

The importance of gross profit ratio acknowledged by 14.55% of responding MSMEs rated as either moderately important or important. Respondents also acknowledged the importance of gross profit ratio (15.15%), current ratio (8.18%) and net profit before and after tax (8.18%) as either moderately important or important. For the remaining ratios, majority of the respondents do not aware about their importance in their business.

As a result majority of the respondents opted either 'not important' or 'moderately important' in times of giving responses.

Perceived Awareness about costing techniques:

It has been observed that perceived awareness level about the tools and techniques of Cost collection system and Costing techniques is very low. To mention a few, respondents acknowledged the importance of batch costing (2.73%), process costing (3.03%) and job costing (1.52%) as either moderately important or important. Among the costing techniques, respondents acknowledged the importance of variable costing (2.12%) and variable and absorption costing (1.52%) as either moderately important or important.

Perceived Awareness about budgeting techniques:

The importance of annual budget was acknowledged by 27.58% of responding MSMEs rating this technique as either moderately important or important. . Respondents also acknowledged the importance of production budget (23.33%), sales budget (22.42%) and purchase budget (15.45%) as either moderately important or important. For the remaining budgeting techniques either very minimum number of respondents are aware about these techniques of budgeting or not aware at all about these techniques.

Perceived Awareness about financial and non-financial measures to measure business performance:

Out of six financial performance measures respondent are aware about sales growth (50.31%), operating income & sales growth (39.39%), operating income (26.67%) and ROI (24.24%). Among the non-financial performance measures, out of eight techniques very minimum number of respondents are aware about only two techniques, which are customer complaints and defect rate.

Perceived Awareness about MAPs for decision making:

Information tools used for decision making are collected through fifth set of MAPs, very negligible portion of respondents are aware (or not aware at all) of these techniques and considered these as perceived to be important.

Perceived Awareness about strategic management accounting techniques:

In the sixth and last set of MAPs of the schedule, containing management accounting tools and techniques used for strategic analysis of business, here also result shows that very negligible portion of respondents are aware (not aware at all) about these tools and techniques of strategic analysis.

6.4 Findings on research objective number -2:

Uses of financial accounting tools and techniques:

After analysing collected data it can be concluded that most of the respondents make less use of these tools and techniques. Debtors book is the most used books of accounts (50%), followed by creditors book (48.18%), profit & loss account (23.03%), and balance sheet (19.70%). Cash flow analysis is the least preferred techniques among owners/managers of the responding MSMEs of Tripura. Results is very much in line with the previous studies (Nayak & Greenfield, 1994), (Das, 2006) and (Das and Dey, 2010).

Uses of accounting information to monitor/track financial performance:

Financial accounting tools and techniques that majority of the responding MSMEs in Tripura are making very less use of the above mentioned tools to monitor/track financial performance for their firms. Cash and bank balance (5.16%) is the most used tools for this purpose followed by profit & loss account (4.85%) and balance sheet (4.55%). This results also in line with study conducted by Das (2006) and Das and Dey (2010).

Uses of Accounting Ratios:

There is a very minimum number of users for accounting ratios for analysing their financial results among the responding MSMEs of Tripura. In other words it can be interpreted that respondents do not consider accounting ratios as an information base for taking future decisions of MSMEs in Tripura. This results are in line with previous studied conducted in North- Eastern part of India (see for example Das, 2006 and Das and Dey, 2010).

Uses of costing techniques:

There are low user for cost collection techniques and costing system among the responding MSMEs of Tripura. Majority of the respondents do not consider these cost collection techniques as well as costing system as important tools for running their small business. Traditional absorption costing has been considered as the best system for cost accounting by the respondents (though response rate is very poor). For other techniques literally there are no user among the responding MSMEs except medium scale enterprises. This results are also in line with previous studied conducted in North-Eastern part of India (see for example Das, 2006 and Das and Dey, 2010).

Uses of budgeting techniques:

It has been observed that there are very low user for any form of budgeting system among the responding MSMEs of Tripura. Majority of the respondents do not consider these various forms of budget as important tools for controlling their business activities. Annual budget, production budget, sales budget and purchase budget are among the preferred budget (though response rate is very poor) of responding MSMEs of Tripura. There are lack of preferences among the surveyed respondents of MSMEs of Tripura for new techniques of budgeting like activity-based budgeting, incremental budgeting, zero-based budgeting and budgeting for long term plans.

Uses of financial and non-financial measures to measure business performance:

Very minimum number of respondents have adopted any techniques from both financial measures and non-financial measures. Though there are minimum adoption rate of performance evaluation techniques, dominance of financial measures over non-financial measures has been observed. Sales from the financial measures and number of customer complaints from non-financial measures are among the most preferred techniques of surveyed MSMEs of Tripura.

Uses of MAPs for decision making:

Tools and techniques covered under *management accounting information used for decision making* (see table 4.29 & 4.30 of Chapter-IV) almost there are no user of management accounting tools and techniques for decision making purposes among the surveyed MSMEs of Tripura. Reason may be either infrastructure required for applying these techniques not prevailed within the surveyed firms or all these techniques are not

required for taking any short run (or long run) decisions for the mix of firms selected for survey.

Uses of strategic management accounting techniques:

Usage rate of *strategic management accounting techniques* (table 4.31 & 4.32 of Chapter-IV) are very poor (or zero usage rate) among the surveyed MSMEs of Tripura. From a series of interview with the respondents researcher came to know that above mentioned tools are not likely to serve any purpose for them. They thought that, either kind of business (micro and small) they are dealing with is not suitable for these techniques to apply or they don't have such type of professional person who can apply these techniques.

Communication of accounting information:

From the results discussed in chapter-IV of the table 4.33 and 4.34 it is very much clear that very minimum percentage of respondents consider communication of accounting information is important for operational use of business. Mainly medium categories of firms are doing this practice and using these for business operational decision making among the responding MSMEs of Tripura.

Conclusion on uses of accounting Tools and Techniques:

Perceived awareness and usage of financial and management accounting tools and techniques are not up to the mark and study results are in line with the previous studies (see for example Nayak & Greenfield, 1994; Das, 2006; and Das and Dey, 2010). Uses of financial accounting information for tracking their business performance is very poor among the responding MSMEs though they are aware about some of the techniques consider under this head. Uses of ratios for interpreting or reading the financial reports is also significantly less (or not seen in majority of the cases) among the responding MSMEs of Tripura and majority of them are not aware about these ratios.

Acceptance rate for traditional management accounting techniques is higher for conventional practices (budgeting, performance evaluation and costing) than for more recently developed practices (decision support system and for strategic analysis). Majority of the respondents are not aware about the newly developed management accounting tools and techniques. Usage for all MAPs also indicate that a higher usage

by medium sized firms as compared to micro and small firms of Tripura. This view is in line with Chun et al. (1994) who observed that Malaysian firms have a preference over traditional management accounting systems to meet their external and internal reporting needs. Other research conducted in developing countries such as Joshi (2001) in India; Phadoongsitthi (2003) in Thailand and El-Ebaishi et al. (2003) in Saudi Arabia; and also support this position. Joshi (2001) opined that the reasons for a lower acceptance of newly developed MAPs in Indian firms are the conservative outlook of Indian management, autocratic leadership, and long term orientation. He also recommend that many Indian companies consider that it is quite expensive to implement the new management accounting techniques particularly, for benchmarking. Absence of training program and expertise in these areas are other possible reasons for non-usage. Phadoongsitthi (2003) also supported this viewpoint and stated the same reasons low adoption rate of newly developed MAPs in Thailand and because both the countries India and Thailand have cultural similarities. Large power distance and low individualism group and both countries face similar problems the lack of training and expertise are among the other problems they stated. Research in developed countries (see for example, Chenhall and Langfield-Smith, 1998; Pierce and O'Dea, 1998; and Abdel-Kader and Luther, 2006), though reported an increasing usage of modern MAPs, agreed that basic or traditional MAPs are still dominating in most firms. It is opined that high adoption of conventional techniques may be attributed to the fact that information and proficiency relating to these techniques is the most readily available as compared to the modern management accounting techniques. Subsequently cutting-edge techniques are not widely accepted in practice may be due to the uncertainties, pragmatisms and costs involved in obtaining the information.

6.5 Findings on research objective number -3:

Usage of financial accounting tools and techniques and their impact on survival and growth of MSMEs:

There are strong positive correlation between cash book and sales book with sales growth rate and operating profit growth rate. There are moderate positive correlation of purchase book and expenses book with every five variables consider for perceptions of firm performance. Sales has a moderate correlation with level of productivity, product quality and cash flow growth rate. Positive moderate correlation observed between provisions for depreciation and sales growth rate and also with operating profit growth rate. Fixed asset register has the positive moderate correlation with operating profit growth rate. Stock book for materials has the moderate positive correlation with all the variables consider for perceptions of firm performance except operating profit growth rate, which has strong correlation with stock book for materials. Debtors' book has the moderate correlation with Product quality. Creditors' book has the positive moderate correlation with product quality and operating profit growth rate. There are moderate positive correlation between Profit & Loss Account and operating profit growth rate. Balance sheet has the moderate positive correlations with sales growth rate and operating profit growth rate. Cash flow analysis has moderate correlation only with level of productivity. Finally, computer for recording business transactions has the moderate positive correlation with level of productivity, sales growth rate and operating profit growth rate.

Usage of financial accounting tools and techniques for tracking financial performance and their impact on survival and growth of MSMEs:

There are strong positive correlation between Cash & bank balance and Profit & Loss account as a financial performance tracker with sales growth rate and operating profit growth rate. There are moderate positive correlation of cash & bank balance with level of productivity, product quality and Cash flow growth rate. Balance sheet has a moderate correlation with sales growth rate and operating profit growth rate. Results also shows a moderate and positive correlation between cash flow analysis and level of productivity. Finally, trend analysis has the moderate positive correlation with level of productivity. For the remaining variables either there are weak or very weak correlation among the variables.

Usage of accounting ratios and their impact on survival and growth of MSMEs:

It is observed that there are strong positive correlation between operating profit ratio with all the five parameters consider for this test namely with level of productivity, product quality, sales growth rate, operating profit growth rate and cash flow growth rate. Gross profit ratio shows strong positive correlation with level of productivity, product quality and cash flow growth rate. There are moderate positive correlation of net profit before and after tax with all the parameters consider for perceptions of firm performance. Average payment period has a moderate and positive correlation with level of productivity, product quality and cash flow growth rate. Results showing a moderate and positive correlation of gross profit ratio with sales growth rate and operating profit growth rate. Similarly, average collection period has a moderate and positive correlation with product quality and cash flow growth rate. Finally, current ratio has the moderate positive correlation with sales growth rate. For the remaining ratios either there are weak or very weak correlation with the variables consider for perceptions of firm performance.

Usage of cost collection techniques and their impact on survival and growth of MSMEs:

Only batch costing has the moderate positive correlation with level of productivity and cash flow growth rate as their coefficient lies within $\pm.20$ to $\pm.29$. For the remaining cases either there are weak or very weak correlation among the remaining variables, as in every cases coefficient value lies within $\pm.11$ to $\pm.19$ or less than $\pm.10$.

Usage of costing techniques and their impact on survival and growth of MSMEs:

Not even a single technique under costing techniques has got a strong or moderate correlation with any variables consider for perceptions of firm performance. All the items under costing techniques either there are weak or very weak correlation among the variables, as in every cases Kendall's tau correlation coefficient value lies within $\pm.11$ to $\pm.19$ or less than $\pm.10$.

Usage of budgeting techniques and their impact on survival and growth of MSMEs:

There is only one positive strong correlation, which is between the annual budget and sales growth rate. Production budget moderately correlated with all the variables consider for perceptions of firm performance Moderate correlation coefficient has been observed for sales budget with level of productivity, product quality, sales growth rate and operating profit growth rate. Annual budget also moderately correlated with level of productivity, product quality, operating profit growth rate and cash flow growth rate. Similarly, purchase budget moderately correlated with level of productivity.

Usage of performance evaluation techniques and their impact on survival and growth of MSMEs:

It has been observed that among the financial performance measures operating income and sales growth has strong correlation with product quality and operating profit growth rate respectively. Among the non-financial performance measures only defect rate has its strong correlation with cash flow growth rate. Return on investment is moderately correlated with level of productivity, product quality, sales growth rate and operating profit growth rate. Among other financial measures, operating income is moderately correlated with level of productivity, sales growth rate and operating profit growth rate. Sales growth rate is moderately correlated with product quality, sales growth rate and cash flow growth rate. Operating income and sales growth is moderately correlated with sales growth rate and operating profit growth rate. Among the non-financial measures only on-time delivery is moderately correlated with level of productivity.

Usage of decision making techniques and their impact on survival and growth of MSMEs:

None of the business decision making technique (or techniques), used for business decision making are strongly or moderately correlated with any variables consider for measuring perceptions of firm performance. In every cases correlation coefficient value lies within $\pm.11$ to $\pm.19$ or less than $\pm.10$ which signifies weak or very weak association among the variables of information used for decision making and perceptions of firm performance.

Usage of strategic analysis techniques and their impact on survival and growth of MSMEs:

Here also, none of the technique (or techniques), used for strategic business analysis are strongly or moderately correlated with any variables consider for measuring perceptions of firm performance. As in every cases correlation coefficient value lies within $\pm.11$ to $\pm.19$ or less than $\pm.10$ week or very weak association among the variables of strategic business analysis and perceptions of firm performance has been observed.

6.6 Result of Hypothesis number-1(H₁):

First hypothesis has been designed to validate perceived awareness level of the different financial and management accounting tools and techniques of the owner/manager of MSMEs in Tripura. Nine sub-hypotheses (H₁₋₁ to H₁₋₉) were developed to show in details the perceived awareness level about the financial and management accounting tools and techniques summary of results has been discussed in the following sections:

H₁: There is a low level of awareness about the tools and techniques of accounting system among the owner/ manager of MSMEs.

Table: 6.1 Summary of results of hypothesis: H₁₋₁

Research Hypothesis	Result
<i>H₁₋₁: There is a low level of awareness about the financial accounting tools and techniques among the owner/ manager of MSMEs.</i>	
H _{1-1a} : Cash book	Rejected
H _{1-1b} : Sales books	Rejected
H _{1-1c} : Purchase books	Accepted
H _{1-1d} : Expenses books	Accepted
H _{1-1e} : Provision for depreciation	Accepted
H _{1-1f} : Fixed asset register	Accepted
H _{1-1g} : Stock book for materials	Accepted
H _{1-1h} : Debtors book	Rejected
H _{1-1i} : Creditors book	Rejected
H _{1-1j} : Profit & Loss Account	Rejected
H _{1-1k} : Balance sheet	Rejected
H _{1-1l} : Cash flow analysis	Accepted
H _{1-1m} : Computer for recording business transaction	Accepted

From the above table it has been observed that for cash book, sales book, debtors book creditors book, profit and loss account and balance sheet null hypotheses has been rejected which indicates responding MSMEs are well aware about these techniques. For the remaining techniques awareness level is not up to the mark for that reason null hypotheses accepted for all remaining techniques.

Table: 6.2 Summary of results of hypothesis: H_{1-2}

Research Hypothesis	Result
<i>H_{1-2}: There is a low level of awareness about the financial accounting tools and techniques used to monitor/track financial performance and profitability among the owner/ manager of MSMEs.</i>	
H_{1-2a}: Cash & bank balance	Rejected
H_{1-2b}: Profit & Loss account	Rejected
H_{1-2c} : Balance sheet	Accepted
H_{1-2d} : Cash flow analysis	Accepted
H_{1-2e} : Fund flow analysis	Accepted
H_{1-2f} : Comparative financial statement analysis	Accepted
H_{1-2g} : Trend analysis	Accepted

For Cash and bank balance and Profit and Loss account null hypotheses has been rejected which implies respondents are well aware about these two techniques. For the remaining techniques null hypotheses has been accepted which indicates respondents not aware for the remaining techniques mentioned in table-6.2.

Table: 6.3 Summary of results of hypothesis: H_{1-3}

Research Hypothesis	Result
<i>H_{1-3}: There is a low level of awareness about the accounting ratios among the owner/manager of MSMEs.</i>	
H _{1-3a} : Gross profit ratio	Accepted
H _{1-3b} : Operating profit ratio	Accepted
H _{1-3c} : Net profit before and after tax	Accepted
H _{1-3d} : Return on equity	Accepted
H _{1-3e} : Return on capital employed	Accepted
H _{1-3f} : Current ratio	Accepted
H _{1-3g} : Acid test ratio	Accepted
H _{1-3h} : Average collection period	Accepted
H _{1-3i} : Average payment period	Accepted
H _{1-3j} : Days stock held	Accepted
H _{1-3k} : Circulation of working capital	Accepted
H _{1-3l} : Gearing ratio	Accepted
H _{1-3m} : Interest coverage ratio	Accepted

For all the above (table-6.3) mentioned ratios null hypotheses has been accepted which indicates respondents are not aware about these ratios, which can be used for their business performance analysis.

Table: 6.4 Summary of results of hypothesis: H_{1-4}

Research Hypothesis	Result
<i>H_{1-4}: There is a low level of awareness about the Cost collection techniques among the owner/ manager of MSMEs.</i>	
H _{1-4a} : Job costing	Accepted
H _{1-4b} : Batch costing	Accepted
H _{1-4c} : Contract costing	Accepted
H _{1-4d} : Process costing	Accepted
H _{1-4e} : A separation is made between variable/ incremental costs and fixed/non-incremental costs	Accepted
H _{1-4f} : Using plant- wide overhead rates	Accepted
H _{1-4g} : Departmental or multiple plant wide overhead rates	Accepted

As the test result for all the techniques of cost collection method (mentioned in table-6.4) accepted the null hypotheses which indicates respondents are not aware about all these techniques of cost collection methods.

Table: 6.5 Summary of results of hypothesis: H_{1-5}

Research Hypothesis	Result
<i>H_{1-5}: There is a low level of awareness about the costing system among the owner/ manager of MSMEs.</i>	
H _{1-5a} : Absorption costing	Accepted
H _{1-5b} : Variable costing	Accepted
H _{1-5c} : Variable and absorption costing	Accepted
H _{1-5d} : Target cost	Accepted
H _{1-5e} : Activity- based costing(ABC)	Accepted
H _{1-5f} : The cost of quality	Accepted

Table -6.5 shows that test result for all the costing techniques accepted the null hypotheses which indicates respondents are not aware about all these costing techniques. They even do not know the utility or importance of these techniques for their business.

Table: 6.6 Summary of results of hypothesis: H_{1-6}

Research Hypothesis	Result
<i>H_{1-6}: There is a low level of awareness about the budgeting system among the owner/manager of MSMEs.</i>	
H _{1-6a} : Sales budget	Accepted
H _{1-6b} : Purchase budget	Accepted
H _{1-6c} : Production budget	Accepted
H _{1-6d} : Cash flow budget	Accepted
H _{1-6e} : Monthly budget	Accepted
H _{1-6f} : Annual budget	Accepted
H _{1-6g} : Continuous /rolling budget	Accepted
H _{1-6h} : Flexible budget	Accepted
H _{1-6i} : Activity- based budgeting	Accepted
H _{1-6j} : Incremental budgeting	Accepted
H _{1-6k} : Zero-based budgeting	Accepted
H _{1-6l} : Budgeting for planning	Accepted
H _{1-6m} : Budgeting for controlling cost	Accepted
H _{1-6n} : Budgeting for long term(strategic plans) plans	Accepted

Test result of all these budgeting techniques (shown in table-6.6) indicates acceptance of null hypotheses, which in turn implies that responding MSMEs of Tripura are not aware about all these budgeting techniques.

Table: 6.7 Summary of results of hypothesis: H_{1-7}

Research Hypothesis	Result
<i>H_{1-7}: There is a low level of awareness about the Performance evaluation system among the owner/ manager of MSMEs.</i>	
H_{1-7a} : Operating income	Accepted
H_{1-7b} : Return on investment	Accepted
H_{1-7c} : Variance analysis	Accepted
H_{1-7d} : Sales growth	Rejected
H_{1-7e} : Operating income & Sales growth	Accepted
H_{1-7f} : Cash flows	Accepted
H_{1-7g} : Number of customer complaints	Accepted
H_{1-7h} : Survey of customer satisfaction	Accepted
H_{1-7i} : Number of warranty claims	Accepted
H_{1-7j} : On-time delivery	Accepted
H_{1-7k} : Manufacturing lead time/cycle time	Accepted
H_{1-7l} : Defect rate	Accepted
H_{1-7m} : Employee turnover	Accepted
H_{1-7n} : Absentees rates	Accepted

As shown in table-6.7 except sales growth rate, test result of all the other performance evaluation techniques null hypotheses has been accepted. From this reason it can be concluded that other than sales growth rate respondents of Tripura are not aware about all these techniques of performance evaluation system.

Table: 6.8 Summary of results of hypothesis: H_{1-8}

Research Hypothesis	Result
<i>H_{1-8}: There is a low level of awareness about the Information used for decision making among the owner/ manager of MSMEs.</i>	
H _{1-8a} : Cost volume-profit analysis (break-even analysis) for major products.	Accepted
H _{1-8b} : Product profitability analysis	Accepted
H _{1-8c} : Customer profitability analysis	Accepted
H _{1-8d} : Stock control models	Accepted
H _{1-8e} : Evaluation of major capital investments based on discounted cash flow methods (NPV, IRR & PI)	Accepted
H _{1-8f} : Evaluation of major capital investments based on payback period and / or accounting rate of return.	Accepted
H _{1-8g} : Evaluation of major capital investments, non-financial aspects are documented and reported.	Accepted
H _{1-8h} : Evaluating the risk of major capital investment projects by using probability analysis or computer simulation.	Accepted
H _{1-8i} : Calculation and use of cost of capital in discounting cash flow	Accepted

Here also, result shows (table-6.8) that for all the decision making tools and techniques null hypotheses has been accepted, which indicates non awareness of the respondents about these tools and techniques of information used for decision making.

Table: 6.9 Summary of results of hypothesis: $H_{1.9}$

Research Hypothesis	Result
<i>$H_{1.9}$: There is a low level of awareness about the Use of management accounting for strategic analysis among the owner/ manager of MSMEs.</i>	
$H_{1.9a}$: Long range forecasting	Accepted
$H_{1.9b}$: Target costing in the design of new products?	Accepted
$H_{1.9c}$: An analysis of the costs incurred in each of the activities in the firm's value chain?	Accepted
$H_{1.9d}$: Industry analysis	Accepted
$H_{1.9e}$: Analysis of competitive position	Accepted
$H_{1.9f}$: Product life cycle analysis	Accepted
$H_{1.9g}$: Strategic costing in determining the firm's strategy	Accepted
$H_{1.9h}$: Product Pricing decision	Accepted

Table-6.9 shows that for all the decision making tools and techniques null hypotheses has been accepted, which indicates non awareness of the respondents of Tripura about these tools and techniques used for strategic decision making.

6.7 Result of Hypothesis number-2(H₂):

The second hypothesis is all about the usage of different financial and management accounting tools and techniques by the owner/manager of MSMEs in Tripura. Which has formed as follows:

H₂: There is a lack of synergy in the application of Financial and Management accounting tools and techniques among the MSMEs.

The following nine sub-hypotheses (H₂₋₁ to H₂₋₉) has been consider separately to show in details about the usage of different financial and management accounting tools and techniques. Which has discussed in the following sections:

Table: 6.10 Summary of results of hypothesis: H₂₋₁

Research Hypothesis	Result
<i>H₂₋₁: There is a lack of synergy in the application of financial accounting tools and techniques among the MSMEs.</i>	
H _{2-1a} : Cash book	Accepted
H _{2-1b} : Sales books	Accepted
H _{2-1c} : Purchase books	Accepted
H _{2-1d} : Expenses books	Accepted
H _{2-1e} : Provision for depreciation	Accepted
H _{2-1f} : Fixed asset register	Accepted
H _{2-1g} : Stock book for materials	Accepted
H _{2-1h} : Debtors book	Tie
H _{2-1i} : Creditors book	Rejected
H _{2-1j} : Profit & Loss Account	Accepted
H _{2-1k} : Balance sheet	Accepted
H _{2-1l} : Cash flow analysis	Accepted
H _{2-1m} : Computer for recording business transaction	Accepted

Test result for debtors book about the usage of this technique becomes a tie value, which indicates half of the respondents are aware about this technique and the remaining half are not aware. Other than creditors book test result for all the techniques of financial accounting mentioned in table-6.10 accepted the null hypotheses, which indicates non usage (or very minimum usage) of above mentioned techniques by the respondents.

Table: 6.11 Summary of results of hypothesis: H_{2-2}

Research Hypothesis	Result
<i>H_{2-2}: There is a lack of synergy in the application of financial accounting tools and techniques used to monitor/track financial performance and profitability among the MSMEs</i>	
H _{2-2a} : Cash & bank balance	Accepted
H _{2-2b} : Profit & Loss account	Accepted
H _{2-2c} : Balance sheet	Accepted
H _{2-2d} : Cash flow analysis	Accepted
H _{2-2e} : Fund flow analysis	Accepted
H _{2-2f} : Comparative financial statement analysis	Accepted
H _{2-2g} : Trend analysis	Accepted

For all the above mentioned techniques (shown in table-6.11) null hypotheses has been accepted, which indicates respondents are not using (or very minimum usage) these techniques for tracking their financial performance.

Table: 6.12 Summary of results of hypothesis: H_{2-3}

Research Hypothesis	Result
<i>H_{2-3}: There is a lack of synergy in the application of accounting ratios among the MSMEs.</i>	
H _{2-3a} : Gross profit ratio	Accepted
H _{2-3b} : Operating profit ratio	Accepted
H _{2-3c} : Net profit before and after tax	Accepted
H _{2-3d} : Return on equity	Accepted
H _{2-3e} : Return on capital employed	Accepted
H _{2-3f} : Current ratio	Accepted
H _{2-3g} : Acid test ratio	Accepted
H _{2-3h} : Average collection period	Accepted
H _{2-3i} : Average payment period	Accepted
H _{2-3j} : Days stock held	Accepted
H _{2-3k} : Circulation of working capital	Accepted
H _{2-3l} : Gearing ratio	Accepted
H _{2-3m} : Interest coverage ratio	Accepted

For all the above mentioned ratios (shown in table-6.12) null hypotheses has been accepted, which indicates respondents are not using (or very minimum usage) these techniques for their business performance analysis.

Table: 6.13 Summary of results of hypothesis: H_{2-4}

Research Hypothesis	Result
<i>H_{2-4}: There is a lack of synergy in the application of Cost collection techniques among the MSMEs.</i>	
H _{2-4a} : Job costing	Accepted
H _{2-4b} : Batch costing	Accepted
H _{2-4c} : Contract costing	Accepted
H _{2-4d} : Process costing	Accepted
H _{2-4e} : A separation is made between variable/ incremental costs and fixed/non-incremental costs	Accepted
H _{2-4f} : Using plant- wide overhead rates	Accepted
H _{2-4g} : Departmental or multiple plant wide overhead rates	Accepted

Test result for all the cost collection techniques as shown in table-6.13, accepted the null hypotheses for every techniques, from this reason researcher can conclude that respondents are not using (or very minimum usage) any cost collection techniques for their business.

Table: 6.14 Summary of results of hypothesis: H_{2-5}

Research Hypothesis	Result
<i>H_{2-5}: There is a lack of synergy in the application of costing system among the MSMEs.</i>	
H _{2-5a} : Absorption costing	Accepted
H _{2-5b} : Variable costing	Accepted
H _{2-5c} : Variable and absorption costing	Accepted
H _{2-5d} : Target cost	Accepted
H _{2-5e} : Activity- based costing(ABC)	Accepted
H _{2-5f} : The cost of quality	Accepted

For all the costing techniques as shown in table-6.14, hypothesis test result accepted the null hypotheses for every techniques, from this reason researcher can conclude that respondents are not using (or very minimum usage) any costing techniques for their business.

Table: 6.15 Summary of results of hypothesis: H_{2-6}

Research Hypothesis	Result
<i>H_{2-6}: There is a lack of synergy in the application of budgeting system among the MSMEs.</i>	
H _{2-6a} : Sales budget	Accepted
H _{2-6b} : Purchase budget	Accepted
H _{2-6c} : Production budget	Accepted
H _{2-6d} : Cash flow budget	Accepted
H _{2-6e} : Monthly budget	Accepted
H _{2-6f} : Annual budget	Accepted
H _{2-6g} : Continuous /rolling budget	Accepted
H _{2-6h} : Flexible budget	Accepted
H _{2-6i} : Activity- based budgeting	Accepted
H _{2-6j} : Incremental budgeting	Accepted
H _{2-6k} : Zero-based budgeting	Accepted
H _{2-6l} : Budgeting for planning	Accepted
H _{2-6m} : Budgeting for controlling cost	Accepted
H _{2-6n} : Budgeting for long term(strategic plans) plans	Accepted

Due to very minimum usage or non-usage of budgeting techniques by the responding MSMEs of Tripura, null hypotheses has been accepted for each and every techniques as shown in table-6.15.

Table: 6.16 Summary of results of hypothesis: H_{2-7}

Research Hypothesis	Result
<i>H_{2-7}: There is a lack of synergy in the application of Performance evaluation system among the MSMEs.</i>	
H_{2-7a} : Operating income	Accepted
H_{2-7b} : Return on investment	Accepted
H_{2-7c} : Variance analysis	Accepted
H_{2-7d} : Sales growth	Accepted
H_{2-7e} : Operating income & Sales growth	Accepted
H_{2-7f} : Cash flows	Accepted
H_{2-7g} : Number of customer complaints	Accepted
H_{2-7h} : Survey of customer satisfaction	Accepted
H_{2-7i} : Number of warranty claims	Accepted
H_{2-7j} : On-time delivery	Accepted
H_{2-7k} : Manufacturing lead time/cycle time	Accepted
H_{2-7l} : Defect rate	Accepted
H_{2-7m} : Employee turnover	Accepted
H_{2-7n} : Absentees rates	Accepted

For the above mentioned (table-6.16) performance evaluation techniques hypothesis test results for every techniques accepted the null hypotheses. Which indicates very poor usage (or no usage) of these techniques by the respondents of Tripura.

Table: 6.17 Summary of results of hypothesis: H_{2-8}

Research Hypothesis	Result
<i>H_{2-8}: There is a lack of synergy in the application of Information used for decision making among the MSMEs.</i>	
H _{2-8a} : Cost volume-profit analysis (break-even analysis) for major products.	Accepted
H _{2-8b} : Product profitability analysis	Accepted
H _{2-8c} : Customer profitability analysis	Accepted
H _{2-8d} : Stock control models	Accepted
H _{2-8e} : Evaluation of major capital investments based on discounted cash flow methods (NPV, IRR & PI)	Accepted
H _{2-8f} : Evaluation of major capital investments based on payback period and / or accounting rate of return.	Accepted
H _{2-8g} : Evaluation of major capital investments, non-financial aspects are documented and reported.	Accepted
H _{2-8h} : Evaluating the risk of major capital investment projects by using probability analysis or computer simulation.	Accepted
H _{2-8i} : Calculation and use of cost of capital in discounting cash flow	Accepted

Table-6.17 shows that for every techniques of decision making information, hypothesis test results accepted the null hypotheses which in turn implies that either non-usage or very minimum usage of information for decision making by the responding MSMEs of Tripura.

Table: 6.18 Summary of results of hypothesis: H_{2-9}

Research Hypothesis	Result
<i>H_{2-9}: There is a lack of synergy in the application of Use of management accounting for strategic analysis among the MSMEs.</i>	
H_{2-9a} : Long range forecasting	Accepted
H_{2-9b} : Target costing in the design of new products?	Accepted
H_{2-9c} : An analysis of the costs incurred in each of the activities in the firm's value chain?	Accepted
H_{2-9d} : Industry analysis	Accepted
H_{2-9e} : Analysis of competitive position	Accepted
H_{2-9f} : Product life cycle analysis	Accepted
H_{2-9g} : Strategic costing in determining the firm's strategy	Accepted
H_{2-9h} : Product Pricing decision	Accepted

Table-6.18 shows that, here also for every techniques of strategic analysis hypothesis test result accepted the null hypotheses which in turn implies that either non-usage or very minimum usage of strategic decision making techniques by the responding MSMEs of Tripura.

6.8 Result of Hypothesis number-3(H₃):

Third hypothesis is all about the impact of uses of accounting tools and techniques on the growth and survival of MSMEs of Tripura. Which has formed as follows:

H₃: “There is no impact of uses of accounting tools and techniques on the growth and survival of MSMEs of Tripura.”

The following nine sub-hypotheses (H_{3.1} to H_{3.9}) has been consider separately to show in details about the impact of uses of accounting tools and techniques on the growth and survival of MSMEs of Tripura. Which has discussed in the following sections:

H_{3.1}: There is no impact of uses of financial accounting tools and techniques on the growth and survival of MSMEs of Tripura.

Cash book, sales book, purchase book, expenses book, stock book for materials, debtors book, creditors book, Profit & Loss account and computer for recording transactions has the positive impact with all the five parameters consider for perceptions of firm performance as a consequences of these results researcher rejected the null hypotheses and concluded that there is an impact of above tools and techniques on survival and growth of MSMEs from the perceptions of firm performance. For provision for depreciation, fixed asset register and balance sheet there is an impact of these three tools and techniques on survival and growth of MSMEs from the perceptions of firm performance for any four variables out of five variables consider for this test. Here also researcher rejected the null hypotheses for their respective cases. Finally, in the case of cash flow analysis there is an impact on survival and growth of MSMEs from the perceptions of firm performance for any three variables out of five variables consider for this test. Here also researcher rejected the null hypotheses for their respective cases.

H₃₋₂: There is no impact of uses of financial accounting tools and techniques used to monitor/track financial performance and profitability on the growth and survival of MSMEs of Tripura.

Cash and bank balance and profit and loss account has the positive impact with all the five parameters consider for perceptions of firm performance for that reason researcher rejected the null hypotheses and concluded that there is an impact of above tools and techniques for tracking financial performance on the survival and growth of MSMEs from the perceptions of firm performance. For balance sheet and cash flow analysis there is an impact as a tracking tools on survival and growth of MSMEs from the perceptions of firm performance for any three variables out of five variables consider for this test. Here also researcher rejected the null hypotheses for their respective cases. For comparative financial statement analysis and trend analysis there is an impact as a tracking tools on survival and growth of MSMEs from the perceptions of firm performance for any two variables out of five variables consider for this test. Here also researcher rejected the null hypotheses for the respective cases. Finally, for fund flow analysis there is no impact on survival and growth of MSMEs from the perceptions of firm performance.

H₃₋₃: There is no impact of uses of accounting ratios on the growth and survival of MSMEs of Tripura.

Gross profit ratio, operating profit ratio, net profit before and after tax and average payment period has the positive impact with all the five parameters consider for perceptions of firm performance, as a consequences of these researcher rejected the null hypotheses and concluded that there is an impact of above ratios on survival and growth of MSMEs from the perceptions of firm performance. Average collection period has an impact on four parameters of survival and growth of MSMEs from the perceptions of firm performance, namely with product quality, sales growth rate, operating profit growth rate and with cash flow growth rate. Here also researcher rejected the null hypotheses for the respective cases. Current ratio has its impact on three parameters out of five parameters consider for perceptions of firm performance that's why researcher rejected the null hypotheses for the respective cases. Return on equity, return on capital employed and acid test ratio has its impact on any two parameters out of five parameters consider for perceptions of firm performance, for that reason researcher rejected the null hypotheses for their respective cases. Finally, in the case of circulation of working

capital there is an impact on survival and growth of MSMEs from the perceptions of firm performance on cash flow growth rate, here also researcher rejected the null hypothesis for this case.

H₃₋₄: There is no impact of uses of Cost collection techniques on the growth and survival of MSMEs of Tripura.

Batch costing has its impact on three parameters of perceptions of firm performance namely on sales growth rate, operating profit growth rate and on cash flow growth rate. As a result of this null hypotheses has been rejected for the respective cases of batch costing. For the remaining cost collection techniques, researcher accepted null hypotheses for every cases of perceptions of firm performance and concluded that there is no impact of remaining cost collection techniques on the growth and survival of MSMEs of Tripura.

H₃₋₅: There is no impact of uses of costing system on the growth and survival of MSMEs of Tripura.

Absorption costing has its impact on sales growth rate and operating profit growth rate, as a result of this null hypothesis has been rejected for the respective cases of absorption costing. Variable costing has its impact on product quality and cost of quality has its impact on level of productivity because of this null hypothesis has been rejected. For the remaining costing techniques, researcher accepted null hypotheses for every cases of perceptions of firm performance and concluded that there is no impact of remaining costing techniques on the growth and survival of MSMEs of Tripura.

H₃₋₆: There is no impact of uses of budgeting techniques on the growth and survival of MSMEs of Tripura.

Sales budget, purchase budget, production budget and annual budget showing the positive impact with all the five parameters consider for perceptions of firm performance. As a consequences of these researcher rejected the null hypotheses and concluded that there is an impact of above budgeting techniques on the survival and growth of MSMEs from the perceptions of firm performance. For cash flow budget, monthly budget, flexible budget, budgeting for planning and budgeting for controlling cost no impact on perceptions of firm performance has been observed, as a result of this null hypotheses has been accepted. Noteworthy to mention here no statistics has been computed for Rolling budget, Activity- based budgeting, Incremental budgeting, Zero-based budgeting and Budgeting for long term plans as they all are constant.

H₃₋₇: There is no impact of uses of Performance Evaluation System on the growth and survival of MSMEs of Tripura.

Among the financial measures sales growth has a positive impact with all the five variables consider for perceptions of firm performance, for this reason null hypotheses has rejected for every respective cases and concluded that there is an impact of sales growth on perceptions of firm performance. Operating income and return on investment has an impact on survival and growth of MSMEs from the perceptions of firm performance for any four variables out of five variables consider for this test, here also researcher rejected the null hypotheses for the respective cases. Return on investment got a tie value with cash flow growth rate and for this reason no conclusion can be made about any impact of this performance evaluation technique on cash flow growth rate. Operating income and sales growth has an impact on product quality, sales growth rate and operating profit growth rate, again researcher rejected the null hypotheses for the respective cases. Variance analysis has an impact on sales growth rate and on operating profit growth rate, as a result of this researcher rejected the null hypotheses for the respective cases. Finally among the financial measures, cash flow has got the positive impact with level of productivity and for this particular case null hypothesis has been rejected.

Among the non-financial performance measures defect rate has a positive impact on with all the five variables consider for perceptions of firm performance, because of this null hypothesis has been rejected for every five parameters and concluded that there is an impact of sales growth on all parameters of perceptions of firm performance. For number of customer complaints, there are positive impact with product quality, operating profit growth rate and cash flow growth rate, here again null hypotheses rejected and concluded as there is an impact on survival and growth of MSMEs from the perceptions of firm performance for these three variables. For the remaining techniques of financial and non-financial measures there is no impact on survival and growth of MSMEs from the perceptions of firm performance.

H₃₋₈: There is no impact of uses of decision making information techniques on the growth and survival of MSMEs of Tripura.

There is no impact of any decision making information techniques on any variables of perceptions of firm, as a result of this null hypotheses has been accepted for every cases and concluded that there is no impact of decision making information techniques on the survival and growth of MSMEs from the perceptions of firm performance.

H₃₋₉: There is no impact of uses of strategic analysis tools and techniques on the growth and survival of MSMEs of Tripura.

There is no impact of any strategic analysis tools and techniques on any variables of perceptions of firm performance As a result of this null hypotheses has been accepted for every cases and concluded that there is no impact of strategic analysis tools and techniques on the survival and growth of MSMEs from the perceptions of firm performance. Again, noteworthy to mention here no statistics has been computed for target costing in the design of new products, an analysis of the costs incurred in each of the activities in the firm's value chain and industry analysis as they are constant.

6.9 Suggestions:

First: The result of the study highlights the wide gap between theory and practice of accounting in MSMEs. Proper strategy has to be developed by the policy maker or thinker to reduce this gap between theory and actual practice. There must be a common platform among the practitioners and academicians (who develops accounting theory) so that academicians can understand the requirement of MSME owners, it may be done by conducting more number of seminars, workshops etc. or by using other means.

Second: The awareness level about the tools and techniques of accounting practices are significantly low among the owner/ manager of MSMEs of Tripura. By conducting more number of MDP on accounting practices, level of awareness about accounting tools and techniques can be improved. DIC are already engaged with different types of development programmes but they have to give more focus on financial as well as management accounting practices.

Third: A separate set of simple accounting practices, where cost involvement will be significantly less than present practices and which also fulfil business owner's requirement may be developed for the MSME owners. By doing so small business owners may get attracted towards following basic accounting practices for their businesses. IFAC has already formed Small and Medium Practices Committee (IFAC, New York, 2006), Indian policy maker, especially ICAI may take some initiative to develop different set of accounting practices for MSMEs in Indian context.

Fourth: Data reveal that majority of the MSMEs are managed by owner of the firm themselves. They are also engaged in book-keeping and accounting records. Therefore, it is time to enforce these firms to engage trained persons, at least, if not the professionals; to record, summarise and do basic ratio analysis of the books of accounts and other records of these firms. It will streamline the record, filing and information processing in more structured and useful manner.

Fifth: It is suggestible that computer software/ programmes may be developed to analyse recorded data in an automatic way and produce results in a classified manner, constituting management accounting results with suitable interpretation which can be used for business decision making. This will add value to software developing firms. The above two suggestions (fourth & fifth) will improve the strategic accounting practices of MSMEs and will also increase employment opportunity to commerce and management graduates besides accounting professionals.

Sixth: Adoption of standard and proper accounting practices by MSMEs should be linked with government support system including subsidised credit and tax benefits. It will motivate MSMEs to adopt and apply modern accounting principles in their respective firms.

6.10 Limitations of the study:

In spite of the sincere effort made by the researcher, the study has the following limitations.

First, the performance of firms across different dimensions was measured using qualitative perceptions rather than quantitative results. As argued before, organizational performance is complex and difficult to measure. Hence the concept of multidimensionality has been used increasingly in many management accounting researches (Nimtrakoon, 2009). Although a self-rating scale has been criticised on grounds of a lack of objectivity, it is the only source available given that MSMEs are unwilling to disclose quantitative results. However, Dess and Robinson (1984) reported that subjective perceptions of top management on performance were consistent with actual performance; hence the use of subjective measures is appropriate in the absence of objective measures.

Second, researcher considered only registered (sector) MSMEs of Tripura as a target population for this study accordingly sample has been selected from registered sector only due to non-availability unregistered sector MSME data. Therefore it may happen that data analysis result is not representing the scenario of financial and management accounting practices of whole MSMEs of Tripura.

Third, because of the sensitivity of financial information, there was no attempt to determine the actual amount of credit, debit, sales turnover, total amount of borrowings, capital invested, number of employees and net profit/losses by participating MSMEs of Tripura.

Fourth, in Tripura sector wise classified data for MSMEs is available only from 1st April 2007 onwards, for this reason in times of selecting sample from all the four districts of Tripura, classified data from 2007 has been considered. As prior to the year 2007 MSME data not been considered for designing sample, it may not be proportionate representation all sectors considering the total MSMEs of Tripura.

Fifth, a further limitation of present research work is that the methodology used could not gauge all the factors influencing the responses, such as moral standing and social beliefs of owner/manager. These considerations on financial and management accounting practices, limits the internal /external validity of the study.

Finally, this study contained complex aspects of financial and management accounting usage (and perceived awareness of accounting tools and techniques) within Likert scale questions and as with all surveys, it is possible that respondents may have misinterpreted some questions. This possibility was minimised through the pilot study and the care taken to ensure that the survey was completed by accounting executive or accounting manager.

6.11 Future Research Directions:

First, there is insignificant number of empirical research relating to what factors affected the use of specific accounting practices in MSMEs context in a country like India. Empirical research on contingent factors which influence the adoption (or non-adoption) of a specific type of accounting tools and techniques may be conducted in other parts of India and Tripura as well. This type of research can explore the external and internal factors of any organisation which influence the adoption level of accounting tools and techniques.

Second: This research only identified the whether any association among the accounting tools and techniques and the perceptions of firm performance but not to show degree of association among the variables. To determine the degree of association between the usage of financial and management accounting techniques and their impact on survival and growth of MSMEs confirmatory research is required. Which can be done with the help of multivariate analysis or with more advance statistical analysis, which is beyond the scope of the present study.

Third, from the perspective of contingency theory it might be beneficial to focus on a sample from one specific industry such as readymade garments, metallic products, and non-metallic products or food and beverages in the manufacturing sector. This would mean that the sample would be more consistent and might be expected to use certain types of accounting practices or usage of certain techniques. This will help any researcher to explain the contingent factors and its differences in a more distinct way. Alternatively a case study method might be employed to show up differences and reasons for them in a more detailed context. By doing so any researcher can explain with details reasons behind adoption or non-adoption of any specific tools and techniques of accounting practices for their MSMEs.

Fourth, the nature of the dependence between traditional and recently-developed MAPs needs further investigation. The lower use of sophisticated MAPs raises the question of the conditions necessary to successfully appliance of these techniques within smaller firms. Again a qualitative case study approach would be likely to provide additional insights beyond those that can be gathered from a schedule/questionnaire survey approach.

Fifth, it must be noted that since this study was confined to situations at a particular point of time. The survey data could not explain to what extent financial and management accounting practices in MSMEs of Tripura will change over time. In the next few years are likely to see increased global competitiveness in the Indian industrial markets and in Tripura also, being a state of this country will not be the exception; therefore it would be interesting to expand the survey to provide a longitudinal study of management accounting change by documenting changes over time in the adoption of specific financial and management accounting techniques in a more detailed way.

Sixth, the results also identified many difficulties that limit the effective usage of financial and management accounting tools and techniques. It would be fruitful to investigate if these difficulties are removed sometime in the near future. In addition, future studies may use the result of this study to compare the result with their future studies by using the same tools for the survey. By doing so they can measure the improvement over the period of time on the usage of financial and management accounting tools and techniques among owners/managers of MSMEs of Tripura.

Seventh, due to the exploratory nature of the study and limited scope, there remains considerable opportunity for further empirical enquiry into the small business accounting (both financial and management) practices. The researcher believe that it would be useful to extend this study into a wider empirical effort by developing a broader and more specified questionnaire and covering others parts of the country. This would be an important step for determining whether the relationships and findings identified in this study exists in other small enterprises. The results of such studies could in turn generate theories and research questions for more general testing and research.

Eighth, the current study was limited to micro, small and medium enterprises of Tripura. There are opportunities here to study a wider variety of industries which would improve the generalizability of the findings and validate the research instrument. In addition, further research may investigate the extent of using some relevant multiple measures among the small enterprises. Similar studies could also be conducted in other parts of the country particularly in relatively developed state of India like Maharastra, Gujrat, and West Bengal etc. also in other regions of the country.

Finally, in addition to the selected contingent factors, the semi-structured interview outcomes identified many other contingent and institutional factors that could affect the extent of use of MAPs in Tripura. Future studies could then use contingency theory in parallel with institutional theory (Alam, 1997) to gain a deeper understanding of the factors that impact the extent of usage of MAPs among the MSMEs of Tripura and others parts of the country. Thus, adding further relevant explanatory variables could improve their explanation of the dependent variable.

6.12 Conclusion:

Despite these limitations, the study provides evidence of the state of perceived awareness level of financial accounting and management accounting tools and techniques among the responding MSMEs of Tripura and usage of these techniques by the owner/manager of MSMEs. Research result shows the effect of the use of accounting practices on organizational performance. It is suggested that, this piece of work has made an important contribution to research to know the present status about the perceived awareness level and on the employment of tools and techniques of financial and management accounting practices. It has successfully responded to the need for research into financial and management accounting practice usage by the MSMEs in other part of India as well as in other developing countries.