

**LACK OF CAPITAL EFFECT ON GROWTH OF SMALL
SOLE PROPRIETORSHIPS IN COMMUNICATION
INDUSTRY**

(Reference to Badulla district of Sri Lanka)

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ABSTRACT

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Starting & running a business with adequate amount of capital is very much important factor in case of achieving growth. Basic business format like sole proprietorships face number of challenges when acquiring capital. Lots of theories & experts extract lack of capital as severe bottleneck for growth of small businesses. There are number of other factors which can influence the growth according to both theory & practice.

Study carried with the intention of identifying existing situation & analyzing strength of relationship between lack of capital & growth opportunity. Study base on sixty sample of small sole proprietors who operate in communication industry of Badulla district finds that (a) there is a strong attitude among sole proprietors as lack of capital is great barrier towards growth; (b) capital & growth has positive relationship (c) initial capital is the most decisive factor towards growth; (d) but in overall consideration there is no significant impact on growth by capital as it shows by business owners' attitude.

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