

**IDENTIFYING FACTORS INFLUENCING CREDIT
CARD IN A COLOMBO SUBURB AREA
LOGISTIC REGRESSION APPROACH**

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degree Master of Science in Financial Mathematics

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DECLARATION

I hereby certify that this submission is my own work and that, to the best of my knowledge and belief, it contains no material published or written by another person or material which to a substantial extent has been submitted or accepted for the award of any other degree or diploma of a University of other institutes of higher learning, except where the acknowledgment is made in the text.

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ABSTRACT

Credit cards are electronic products that are now becoming more important and well-known around the world. The usage of credit cards is becoming highly connected to peoples' day-to-day lives and credit cards have a greater impact on the rapidly changing lifestyles of busy people. However, penetration and usage of credit cards in Sri Lanka are still low when compared with other countries. Hence, identifying factors influencing the usage of credit cards would be of great importance for the banking industry, because through them, they can enact policies and take necessary measures to increase the number of Sri Lankans who use credit card. Though researchers have explored this study area in the recent past, In Sri Lanka, there is an empirical and knowledge gap. The purpose of this study is to figure out what factors influence or affect people's use of credit cards in Boralessgamuwa town area, which is a city in Colombo district, the western province of Sri Lanka. This is a cross-sectional study and was done in a non-contrived setting. The data was gathered using a questionnaire from 102 people in the Boralessgamuwa town area. Age, Gender, Education level, perceived cost, and Relatively advantages variables are highly affected by the use of credit cards in the Borelessgamuwa area. Thus, it was observed that customers' intention to use credit cards is highly dependent on those variables, and among those Perceived costs are discouraging the use of credit cards, relatively advantage encourages people to use credit cards. This result indicates the odds of using a credit card is 9.6 times higher for male than female. The odds of using a credit card is 10.2 times higher for those who have a diploma compared to up to A/L educated customers, The Odds of using a credit card is 18.4 times higher for who had a degree & above compared to up to A/L educated customers while other variables remain constant and change in one year in age changes the odds of use of a credit card increases by 1.5 units while other variable remain constant. The category of young age received a lot of responses. A young age group can be described using the odds value. Hence, the industries and policymakers should consider these when enacting policies, in order to improve the usage of credit cards among the people of the country.

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LIST OF ABBREVIATION

CBSL	Central Bank of Sri Lanka
USA	United States of America
UK	United Kingdom
SPSS	Statistical package for Social Science
ATM	Automated teller machine
TPB	Theory of Planned Behaviour
TRA	Theory of Reasoned Action
TAM	Technology Acceptance Model
CDM	Cash Deposit Machine
M-PAY	Mobile Payment
P&L	Profit and Loss
OTP	One Time Password
POS	Point Of Sale
OR	Odds Ratio

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