

## Abstract Details

**Title:** Impact of Financial, Operating Leverage on the Financial Performance: Special Reference to Lanka Orix Leasing Company Plc in Sri-Lanka

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**Abstract:** Financial leverage refers to the use of debt in a firm's capital structure is called Financial Leverage. Using financial leverage is like a double edged sword because it can magnify the firm's potential gains and losses. Operating leverage refers to the percentage of fixed costs in a company's cost structure. Generally, the higher the operating leverage, the more a company's income is affected by fluctuation in sales volume. In this context, the aim of this research is to identify the Impact of Financial, operating leverage on the financial performance of the Lanka ORIX Leasing Company plc in Sri-Lanka. Analyses of the data indicated that only operating leverage has a significant on the financial performance of LOLC plc in Sri-Lanka. The findings further revealed that no significant difference was found between financial leverage and financial performance. LOLC PLC is recommended to inject the specific amount of equity to improve the capital structure along with leverage ratios in addition to focusing on matching of liabilities with the type of assets they own.

**Keywords:** Financial Leverage, Operating leverage and financial performance.