

many companies more effort to enhance firm value. It provides a lot of funds to firms and is positive related to the business sector in developing countries, he explained that financial leverage can be measured through out of earnings before interest and also it there may be increased bankruptcy of the firms if they not concern about leverage in fairly. As stated literature, larger firms have been achieved more profits, earnings and low volatile and they expected higher leverage ratios due to larger firms have less risk and bankruptcy cost. activity manufacturing creates revenues for employment, helps to boost agriculture, helps to diversify the economy and serves as a viable means of foreign exchange earnings for the country. When survey regarding manufacturing field, it is more important to Sri Lankan economy because that process consisting from raw materials to output for the consumers. The influence of firm size is a most popular side in financing of the organizations and it measures from firm's total assets, number of employees, total turnover etc. Furthermore, some researchers have been considered various theories regarding the leverage and there can identify main two theories of trade off and pecking order theories. In addition this sector also helps to minimize the risk of overdependence on foreign trade or imported goods .manufacturing remains one of the most powerful engine for economic growth. Financing of companies requires debt and equity capital to grow up their financial combinations. The firm size has a larger impact on the financial leverage in today's global economy. Financial leverage is a very important item in the firm's financial affairs and it considers debt equity and other financial securities. As well as, financial leverage has been used as a technique to help of borrowed money to purchase assets. Firm size viewed as a significant factor that can affect the firm's relation with its external business environment. In the corporate environment have more important role regarding the firm size because larger organizations have large capacity to affect their stakeholders. According to Fadjar (2013) as stated by Yunita (2010) explained the large firms have ability increase the firm value because they have lot of necessary resources and they have more information regarding all related things. Large firms able to reduce their business cost by issuing long term debt under the favorable debt interest rate. Here financial leverage plays a most important role in corporate finance to decision-making about business operations .in the firm