The Impact Of Working Capital Management On Firm S Value

We consider how trade credit can coordinate a two-echelon supply chain in the presence of supplier moral hazard and costly working capital financing. While trade credit resolves moral hazard problems in the absence of working capital financing costs, we show that this is not necessarily true when financial frictions make financing trade credit costly. We then show that trade credit along with an appropriately designed reverse factoring program can restore supply chain efficiency.

This paper attempts to investigate the impact of working capital management on the profitability of Tata Motors using cash conversion cycle as an important determinant to find out the important linkages between the variables under study. The paper seeks to extend Lazaridis and Tryfonidis's findings regarding the relationship between working capital management and profitability. The study is based on secondary data obtained from published annual reports of Tata Motors and Indian Brand Equity Foundation for a period of five (05) years from 2013 to 2017.This paper aims to establish twin objectives of finding out a statistically significant relationship between variables under study and to help explain the necessity of firms optimizing their level of working capital management and maintaining enough liquidity as it affects the profitability. The result of this study clearly shows significant level of relationship between the profitability indices as well as working capital components. The data have been analysed using SPSS (ver.16.0) for generating better reliability of the results.

Working Capital ManagementOxford University Press

Times of crisis are unexpected and they bring diverse challenges and opportunities for companies, financial markets, and the economy. On one hand, more risk and uncertainties appear, yet on the other hand, it is an opportunity to reorganize and reinvent the company. It is important for businesses to understand ways to deal with uncertainty and risk in times of economic downturn and what financial strategies and tools can be used to eliminate or reduce the potential negative effects. These effects can reach the company’s financial performance, capital structure, as well as cause financial debt and the availability of cash-flow to companies. However, different financial instruments can sustain the business and deal with the difficulties of payment when sales reduce and uncertainty increases; thus, research is essential in this critical area. When economic downturn affects the financial markets, the role of banks, country dynamics, the economy, and many other facets of the business world, financial management becomes the key for business recovery. The Handbook of Research on Financial Management During Economic Downturn and Recovery shares relevant knowledge on challenges and opportunities caused by crises, such as the pandemic, and the effects on economic and financial arenas. The chapters cover topics such as business models to understand how companies react to pandemic and crises situations, as well as how they change their management and way of conducting business. Other important topics include sustainable development, international financial markets, capital structure changes, uncertainty and risk, and governance and leadership. This book is ideal for shareholders, directors and managers, economists, researchers, academics, practitioners, stakeholders, researchers, academicians, and students interested in knowledge on topics about challenges in the way that companies, financial markets, financial institutions, and governments respond to risk and uncertainty.

The Impact of Working Capital Management Dynamics on Performance of Tongan Enterprises in New Zealand

The Impact of Working Capital Management on the Profitability of Financial Listed Firms in Palestine
Impact of Working Capital Management Upon Companies' Profitability
Corporate Investment and Corporate Performance
The Impact of Working Capital Management on Firm Value
The Impact of Aggressive Working Capital Management Policy on Firm's Value

This book aims to explore the impact of components of working capital management on profitability of Indian FMCG firms for ten years period from 2000-01 to 2009-10. Working capital management is considered to be a vital issue in financial management decision and it affects both liquidity and profitability of the firm. Apart from using Pearson's and Spearman's correlation analysis, panel data regression analysis like pooled OLS model and fixed effect LSDV model are employed in the study. Like previous authors, our study results reveal a sturdy negative association between working capital management variables and firms' profitability. The results of our study also indicate the better explanatory power of fixed effect LSDV model than that of pooled OLS model.

A Working capital management ensures a company has sufficient cash flow in order to meet its short-term debt obligations and operating expenses. The needs of efficient working capital management must be considered in relation to other aspects of the firms' financial and non-financial performance. An efficient Working Capital Management is expected to contribute to the high financial performance. The main purpose of this study was to investigate the working capital management and its impact on firms' financial performance. The efficiency of working capital management was investigated through the cash conversion cycle. The research problem focused here -- What extent the working capital management influences on financial performance of the trading firms? -- A strong significant relationship between working capital management and profitability has been identified in previous research. It was assumed that -- The efficient working capital management has strong impact on financial performance. -- The dependent variable Return on Assets is used as a measure of profitability of financial performance and its' relationship with working capital management was investigated to find out the results. Samples of 9 trading firms have been selected from the companies listed by the Colombo stock exchange using Statistical Package for Social Sciences (SPSS) for the period of 2004 to 2009 to find out the results. The regression analysis results show that the high investment in inventories and receivables is associated with lower financial performance (ROA). For this analysis the inventories days, accounts receivable days, accounts payable days and cash operating cycle have been used. The findings also revealed that some firms have efficient working capital management and some have inefficient working capital management in the trends of working capital according to the cash operating cycle.

This important book contributes significantly to our understanding of financial analysis in an inflationary environment. Major topics covered include the interest charges on working capital, the effect of debt finance on liquidity, the impact of inflation on tax liability resulting from interest on loans, and income measurement with a special emphasis on performance evaluation.

Working Capital Management provides a general framework that will help managers understand working capital using a comprehensive approach that links operating decisions to their financial implications and to the overall business strategy. It will also help managers to gain a better understanding of the key drivers to profitability and value creation.

Working Capital Management for multinational corporations

Impact of Working Capital Management on Financial Charges

A Thesis Submitted in Partial Fulfilment of the Requirements for the Degree of Master in Business (MBus) Unitec Institute of Technology, New Zealand

Evidence from Listed Manufacturing Company of the Colombo Stock Exchange in Sri Lanka

The impact of working capital management efficiency to the profitability of plastic manufacturing firms

A Review of Selected Studies

As soon as a firm starts operating, and especially once it starts to grow, it needs to come to a decision about how to invest funds, how much cash and inventory to maintain, how much financing to provide to customers, how to obtain the necessary funds, and how much debt to take on and in which terms--all the answers to these questions have serious consequences for a firm's cash flow and profitability. Working Capital Management is a hands-on look at the crucial decision of how to define and finance the operating investments of a business. Starting with an overview of the fundamental framework of corporate finance, the authors set out to define the central, and usually underestimated, role that working capital plays within this structure. They show not only how to prevent the losses that result from mishandling working capital, but also how to fully exploit the strategic potential that intelligent, expert management of working capital allows. The book is the first to emphasize the relevance of the interplay between the investment and finance aspects of working capital, by discussing all of the main components of a firm's operating expenses from both an investment and finance perspective. After focusing on the varying aspects and themes of working capital, such as inventory management, strategic accounting, trade credit, and short-term debt, the authors move on to identify the long-term implications and opportunities raised by this often overlooked aspect of corporate finance.

Lorenzo Preve and Virginia Sarria-Allende have at last provided a resource that identifies the impact of day-to-day business decisions, uncovering an essential yet often overlooked aspect of all firms' financial situations.

Working capital management is important component of financial management. Usually it is found that short term management of capital is ignored, consequently leading to failure of businesses. Thus the study focus to make item wise analysis of each component of Gross Working capital for APGENCO using percentages and examine the impact of Working capital on profitability by using statistical tool such as Correlation analysis for the study period of 2005 to 2010. In the analysis working capital ratios such as current ratio, Liquid ratio, working capital turnover ratio, Inventory turnover ratio, receivables turnover ratio, cash turnover ratio and Return on Investment ratio has been used. The study found that Debtor share a major proportion of gross working capital and cash balances has been ignored by the company. Further WTR and DTR showed a high degree of positive correlation and CR, LR, and ITR showed a high degree of negative correlation between variables and profitability. Hence, the study of the impact of working capital ratios on profitability showed both negative and positive impact.

The study of working capital is of major importance to internal and external analysis because of its close relationship to current day-to-day business. In fact, the study of working capital management needs special attention for the efficient working and survival of a business. It has been often observed that the shortage of working capital leads to the failure of a business. The proper management of working capital may bring about the success of a business firm. To run the business smoothly and to meet the day-to-day operational requirements, working capital funds are very essential. With this background in view, the present study was undertaken for a proper insight into the Management of working capital in the sugar industry. The book provides multidirectional and multidimensional investigation of various aspects of working capital management. The book discusses all the important aspects in a systematic manner. Apart from its extensive coverage and lucid presentation, the strength of the book lies in its Indian background. This book will be of immense use particularly to University and College teachers, Chartered Accountants, Company Secretaries, M.Com. B.Com., and MBA students and other professional courses. In addition, it would be a useful reference book for researchers and Financial Managers.

The main objective of the study is to find out the impact of corporate governance practices on

Working capital management. Secondary literature reviews and Secondary data collection methods were used to conduct the study. Twenty five listed manufacturing firms were selected as sample size in Colombo Stock Exchange for the period from 2007 to 2011. Multiple Regression Analysis was utilized to find out the significant impact of corporate Governance practices on the Working Capital Management. The results revealed that there is a significant impact of corporate Governance practices on current liabilities to total assets in working capital management. In contrast, the cash conversion cycle and the current assets to total assets are not influenced by the corporate governance practices. Based on the findings, we recommended to the policy makers in the corporate governance practices to establish the models of corporate governance that must be suitable to the manufacturing sector in Sri Lanka to ensure the survival, solvency, and profitability of the business.

Handbook of Research on Financial Management During Economic Downturn and Recovery

The Banking Industry Guide: Key Insights for Investment Professionals

An Analysis of Trading Firms

The Role of Managing Flow of Working Capital on the Business Operations and Profitability

Working Capital Management and Its Impact on the Profitability of Tata Motors

Impact of Working Capital Management Policy and Financial Leverage on Financial Performance

The management of Working Capital is an essential part for successfully managing a business. In this study the impact of Working Capital Management on the profitability of a sample of 1145 German listed companies from 2003 to 2012 is analysed. It is found that by lengthening the Cash Conversion Cycle for one day the Operating Income of the companies in the sample can be increased by US$ 46'000. Furthermore it is discovered that there exist substantial differences in the relationship between Working Capital Management and profitability between industries. Only for companies working in the non - cyclical consumer sector a statistically significant relationship between the Cash Conversion Cycle and profitability is shown. In a second set of analyses it is found that the assumption of a profit maximising level of Working Capital cannot be confirmed for the whole sample. However, the industry specific analysis shows that an optimal investment of Working Capital exists for the Basic Materials sector. Consequently the need for the close management of investment in Working Capital is emphasised as it is an important factor of success in running a profitable business.

A corporate speculator embraces a monetary assessment while choosing whether to put resources into substantial resources or different business. The speculator needs to guarantee that it pays close to a reasonable incentive to buy the venture and that the monetary benefit for its proprietors is augmented. The part talks about monetary assessment with regards to venture choices with an emphasis on speculation valuation and organizing and assessment procedures. Capital gave to an organization, and any value produced inside, should just be put resources into resources if esteem is made for investors—that is, the point at which the estimation of financial advantages emerging from the advantages surpasses the cost of procuring those advantages.

The working capital management plays an important role for success or failure of firm in business because of its effect on firm's profitability. This study aims at providing an idea about the directional effect of working capital management on profitability of financial listed firms in Palestine. The contemplated research will analyze Palestinian listed companies with respect to the optimal mix of their working capital structure as it relates to profitability. This is presently considered an understudied area and will have positive benefit for both professionals and academics. The contemplated research will provide a basis for further research and examination of the domain of working capital structure. Firm Size and firm Growth has a positive impact on the firm's profitability. It is important to focus on the nexus of working capital structure theory, managerial decision-making theory and managerial communication theory to have effective working capital management framework.

Working Capital Management is the golden brick in the world of finance. It helps in making the management decisions of the firms. When the Working Capital is managed improperly that is when too large or too small amount of Working Capital is used, results in negative impact on the firms. Therefore a balance level of Working Capital is required to have greater profits. In our research we examined the impact of Working Capital Management on Profitability. We used a sample of two cement companies listed in Karachi Stock Exchange (KSE) for the time period of (2001-2011) and the number of observation are ten. The reason for doing a research is to develop a significant statistical relation between profitability, Cash Conversion Cycle (CCC) and the components (Number of Days Inventory, Number of Days Account Receivables and Number of Days Payables). Our research analysis concluded that there is significant inverse relation between Profitability calculated through Returns on Assets and CCC. Managers can make profits for the firms by maintaining CCC properly and controlling the number of days account receivables and number of days inventory.

Empirical Evidence from Amman Stock Exchange - Listed Companies

Working Capital Management and Profitability - A Case Study of Andhra Pradesh Power Generation Corporation

Impact of Working Capital Management on Profitability of Cooperative Unions in East Shewa Zone, Oromia Regional State

Impact of Working Capital Management on Corporate Wellbeing

The Impact of Working Capital on the Profitability of the Companies in the Mining Industry

The Impact of Working Capital Management

Purpose - The operations of an organization are conducted through various sources of funding. The current research aims at the proper management of Working Capital in a business so that negative impact can be minimized and profitability is maximized. The management of the flow of Working Capital brings stability to business operations and success. The paper provides effective understanding about the implication of working capital on a business.Research Methodology - The books and academic papers have been analyzed and reviewed to conduct secondary research so that potential information is gained on the research topic. The research majorly focuses on carrying out qualitative data through which relationship between working capital management and profits of the business is being analysedFindings - In the concept of financial management, Working Capital plays an imperative role in managing day to day activities effectively. Capital management by the financial manager is directly linked to the increased profitability of the business. The Working Capital structure of an organization can be enhanced through a reduction in the overall inventory period and the accounts receivables.Conclusion - The report provides an in-depth understanding of the positive and negative impacts of Working Capital management in a business. It is essential to depend on short term investment opportunities so that easy conversion of cash assures the necessary flow of capital. Highly liquid firms provide trade credits and easily eradicate the phase of the financial crisis.

Working capital represents the amount of money invested by the firm to finance its daily business activities. As with any other investment, the goal of working capital management is to generate maximum returns with minimum resources. In a practical point of view, optimal investment in working capital will ensure sustainability and stability of operations throughout the business cycle. In this context, the aim of this study is to evaluate the working capital management efficiency of plastic manufacturers in the Philippines with focus on the three major elements of working capital – Inventory, Accounts Receivable and Accounts Payable. Based on the results, inventory and accounts receivable make-up a substantial share of the companies ' working capital investment. Majority of these companies employ a conservative working capital policy which exposes them to less operational risks, but, at the expense of higher profit. On the average, most firms have long cash conversion cycles (CCC) relative to long inventory turnover periods. Test of relationship suggests that high CCC value translates to lower profitability. This is supported by the results of the Data Envelopment Analysis (DEA) which implies that inefficiencies do exist in terms of the firms ' cost and operational management, which in turn, affects their profit.

Bachelor Thesis from the year 2018 in the subject Business economics - Banking, Stock Exchanges, Insurance, Accounting, grade: 4.5/5.0, , course: Accounting and Finance, language: English, abstract: This study aims to evaluate the impact of working capital management and its main components on the profitability of manufacturing companies having Nigeria Bottling Company as the case study. The study is restricted to manufacturing companies (Nigeria Bottling Company) and limits itself to the information in the annual report and accounts of the company under review. This study covers a period of eight (8) years (2009-2017). Three objectives, research question and hypotheses which will serve as a guide for the project writing giving the work good direction, were formulated. The Research design and study used where Ex Post-facto design and secondary source of data respectively, population of the study is the manufacturing companies represented by Nigeria Breweries Company PLC. The data collected will be analyzed using multiple regression and simple regression to establish the relationship between both variables used in the work.

According to a study conducted by PricewaterhouseCoopers in 2017, global performance of working capital (WC) continuously deteriorated in the last 10 years. Consequently, this bad performance is consuming more than 300 billion extra cash. To examine if shareholder value is affected by this performance, this paper aims to analyse the effects of improving working capital management (WCM) on shareholder value i.e. dividends and share price. For this purpose, a sample of 45 public European companies (operating in following sectors: retail, consumer goods, automotive, industrial manufacturing and oil & gas) was created, for which the cash conversion cycle (CCC) as a measure of WCM performance was calculated for the last 10 years. The calculated data was then used to perform correlation analysis between CCC and adjusted share price and dividends paid to shareholders. This paper comes to following conclusions: Public European companies operating in industries that are characterized by high current assets intensity have improved their management of working capital in the last 10 years, with the exception of the industrial manufacturing industry. Further, improvement of WCM has created additional value for shareholders in the retail and consumer goods sector. *****According to a study conducted by PricewaterhouseCoopers in 2017, global performance of working capital (WC) continuously deteriorated in the last 10 years.

Consequently, this bad performance is consuming more than 300 billion extra cash. To examine if shareholder value is affected by this performance, this paper aims to analyse the effects of improving working capital management (WCM) on shareholder value i.e. dividends and share price. For this purpose, a sample of 45 public European companies (operating in following sectors: retail, consumer goods, automotive, industrial manufacturing and oil & gas) was created, for which the cash conversion cycle (CCC) as a measure of WCM performance was calculated for the last
The Effect of Working Capital Development on Financial Performance of Organization

Impact of Working Capital Management on the Profitability of the Cement Sector of Pakistan
Empirical Evidence of Manufacturing Industry of Pakistan
A Mediating Effect of Company's Profitability
The Impact of Working Capital Management on Corporate Profitability

Conventionally, the researchers in finance realm have principally focused on the long-term financial decisions making, particularly capital structure, dividends, investments, and company valuation decisions. However, shorttermassets and liabilities are important components of total assets and needs to be carefully analyzed. Working capital management plays a significant role in better performance of firms worldwide. This paper analyzes the impact of Financial Charges onto working capital management in the firms of Pakistan for the period 2006 to 2011. For this purpose, panel data of 8 Pharmaceutical manufacturing firms is used which are listed on Karachi Stock Exchange. The results indicate that the average collection period, inventory holding period, average payable period, cash conversion cycle, net trade cycle are not single-handedly significantly affecting the working capital of the firms but after taking the lag collective effect of all working capital resulted in significant. The useful policies must be devised for the individual components of working capital but the results lead us that an aggregative effect is expected in working capital management from the perspective of financial charges impact. Furthermore, for handsome reduction in the financial charges efficient management of all working capital components are vital & future study of the same dimension shall bring more insight reviews & make it more reliable.
This paper aims to determine the impact of working capital management policy and financial leverage on financial performance of Jordanian companies measured in terms of

net income, return on equity (ROE) and return on asset (ROA). Pearson's rank correlation test, ANOVA F- test, and multiple regression analysis were used on 45 companies included in the industrial sector in Jordan ranked in terms of gross revenues. Results of the study indicated that firm's working capital management policy, financial leverage, and firm size have significant relation to net income. However working capital management policy has no significant impact on return on equity (ROE) and return on assets (ROA). Seminar paper from the year 2004 in the subject Business economics - Business Management, Corporate Governance, grade: A = 1, International University in Germany Bruchsal (School of Business Administration), language: English, abstract: Working Capital Management's [hereafter abbreviated WCM] accepted purpose has been the management of a firm's current assets and current liabilities in a way that achieves the optimum balance between liquidity and profitability. On the one hand, obviously, a high level of net working capital implies funds invested in current assets that increase a firm's liquidity but reduces its returns, because current assets are less profitable than long-term assets. On the other hand, however, a low level of net working capital results in increased profitability, since funds are put to better use, but increases the firm's risk of technical insolvency. The bottom line is that any suboptimal level of net working capital in the end reduces the return to shareholders by lowering the firm's value (Gitman, 2000, p. 616). However, "[t]he 'collect early, push out the product and pay late' attitude, familiar to many treasurers, squeezes both customers and suppliers and [...] is increasingly recognized as short -term and potentially damaging to business" (Hall, 2002, p. 29). Therefore, it is of supreme importance to understand the complex and not openly visible ties of working capital and its components to a company's strategy and operations, rather than treating WCM as an isolated task. WCM for multinational corporations is in its core very similar to purely domestic WCM. However, in the international realm there exist a few essential differences that add complexity. Consider "the impact of currency fluctuations, potential exchange controls, and multiple tax jurisdictions [...], in addition to the wider range of short -term financing and investment options available" (Shapiro, 2005, p. 516). This paper will discuss the main *components of WCM (international cash management, accounts receivables/payables, etc.) as well as the implications of managing working capital in the international sphere, while taking into consideration a more profound approach to WCM that goes beyond the superficial understanding of working capital as an isolated item solely under the control of the finance or treasury department. [...]*

This study examines relationship between measures of working capital management and corporate profitability. Working capital management is an important element of financial management for many firms as they make significant investment in working capital components. Applying fixed effect estimation model, we find a significant negative relation between firm's profitability and various components of the working capital management. These results suggest that managers can improve firm's profitability, and consequently, enhance firm value, through the efficient management of working capital components.

Evidence from Germany

The Case of Vietnamese Listed Company

Corporate Governance Practices and Its Impact on Working Capital Management

The Impact of Working Capital Financing Costs on the Efficiency of Trade Credit

The impact of working capital management on the profitability of a manufacturing company

Approaches to Working Capital Management

Different literatures were assessed for manufacturing business, small and medium sized enterprises, corporate organizations and factories to identify t impact of working capital management on the profitability; but there are no literatures on how working capital management affects the profitability of cooperatives. Therefore, this book was conducted to assess the impact of working capital management on the profitability of cooperative unions. A pa data using Random Effect Multiple Regression model is used to analyze the standard determinants of working capital. The GLS estimator was used a efficient estimator than Pooled OLS as per Breusch Pagan Test. To determine the most relevant impact of WCM on profitability of the unions based o sequential regression approach with two alternative specifications of model were employed. The analysis should help to make decisions in business organizations and should be especially useful for professionals in Cooperatives Accounting and Auditing, Cooperative Business Management, Accoun & Finance, Business management or any else who wants to make a decision about WCM.

The study will examine the value of the firm and aggressive working capital management while considering the mediating effect of a firm's profitability. study consist of 147 non-financial firms listed on the Pakistan Stock Exchange. The study period consists of years from 2009 to 2014. The finding reve that aggressive working capital financing policy has a significant negative impact on profitability and firm value while aggressive investment policy discloses a significantly positive relationship with profitability. Profitability has a significant and positive impact on the firm's valuation therefore, profitability can mediate the relationship between the aggressive working capital management and the value of the firm. Therefore, we conclude that to enhance profitability through optimization of investment on current assets and by adding the proportion of long term financing in working capital. In the end, we have discussed some of our limitations and future research opportunities.

Corporate finance literature and finance practitioners have the notion that the efficient working capital management (WCM) affects firm value. This stud investigates the value effect of working capital management, using a sample of 44 listed companies on the Colombo Stock Exchange (CSE) over the p 2011-2015. The CSE is currently recognized as a high growth frontier market (FM) in the world. The efficiency of WCM is measured using the Cash Conversion Cycle (CCC) and its components while firm value is measured by the Tobin Q ratio. The firm size, leverage and sales growth are used as t control variables. Using panel data regression methodology (the pooled OLS and fixed effects regressions), the study finds that CCC is inversely relate Tobin Q, suggesting that managers can create value for their shareholders by efficiently managing investment in working capital of their firms.

One of the main reasons to name this book as Financial Management from an Emerging Market Perspective is to show the main differences of financia theory and practice in emerging markets other than the developed ones. Our many years of learning, teaching, and consulting experience have taught that the theory of finance differs in developed and emerging markets. It is a well-known fact that emerging markets do not always share the same finan management problems with the developed ones. This book intends to show these differences, which could be traced to several characteristics unique emerging markets, and these unique characteristics could generate a different view of finance theory in a different manner. As a consequence, differer financial decisions, arrangements, institutions, and practices may evolve in emerging markets over time. The purpose of this book is to provide practitioners and academicians with a working knowledge of the different financial management applications and their use in an emerging market settir Six main topics regarding the financial management applications in emerging markets are covered, and the context of these topics are "Capital Structu "Market Efficiency and Market Models," "Merger and Acquisitions and Corporate Governance," "Working Capital Management," "Financial Economics and Digital Currency," and "Real Estate and Health Finance."

Working Capital Management

Accounting and Finance Innovations

Impact of Working Capital Management upon Shareholder Value: Sectoral Analysis of WCM Performance of Public European Companies

Impact of Working Capital Management on the Profitability of Firms

Case of Listed Pakistani Companies

The Impact of Inflation on Financial Activity in Business, with Applications to the U.S. Farming Sector

The world is currently experiencing the advent of new information technologies with dynamic changes, which can be considered as one of the greatest business threats today. Accordingly, international business and academia haveÂ claimed to be workingÂ towardsÂ developing innovations in accounting and finance that are useful for all stakeholders.Â The recent accounting and finance scholarship has moved forward toward new innovations that advance professional practice. This book introduces and discusses new innovations in accounting and finance, including management accounting, blockchain, E-business models, data analytics, artificial intelligence, cryptocurrency, bitcoin, digital assets, and associated risks. It also sheds light on how and why accounting and finance innovations have changed over time. This book will help practitioners and academics develop and *introduce new accounting and finance tools and concepts. It is also a useful resource for those working in the accounting and finance fields.*

In today's challenging economy, with increasing environmental pressures and limited external resources, the current assets and liabilities as working capital have great importance and Optimal management of working capital of firms can be considered as a Competitive advantage for them. The main axis of this research is how development of working capital management influences on profitability and liquidity as two important factors of financial performance. This paper is an analytical - descriptive research that reviews the existing literature in this field and classifies them into two groups including the impact of working capital strategies on the performance and the other one is the impact of working capital indicators on the performance. This survey investigates the relationship between working capital strategies and working capital indicators with the performance of organization. The survey result shows that the impact of working capital strategies and indicators on profitability and liquidity should be considered simultaneously in development of working capital management.

Efficient management of working capital ensures a company has sufficient cash flow to meet its short-term debt obligations and operating expenses. The study analysis WCM and corporate profitability of listed manufacturing companies of the CSE in Sri Lanka. A sample of twenty-two listed manufacturing companies selected randomly for the purpose of this study. Data collected from annual reports of the sampled firms for the period 2009-2015. The working capital was determine by the cash conversion cycle and the profitability was measured by return on assets. The study applied panel data models (random effects). The data were analyzed by means of descriptive statistics and GLS random regression analysis using STATA 12. The study finds that there is a significant negative impact of inventory turnover on corporate profitability while debtors turnover insignificant positive affect corporate profitability. In addition, creditors' turnover has significant positive impact on corporate profitability. The results conclude that WCM impact of profitability of listed manufacturing companies in Sri Lanka.

This paper aims to test whether national culture may explain the variation in working capital management, which is proxied by cash conversion cycle (CCC). By using 81,585 firm year observations across 46 countries over the period from 1998 to 2010, we confirm that working capital management is positively associated with power distance, but negatively with individualism and masculinity. Based on our interaction results, this relation become remarkable as firms are resident in emerging markets, firms involve less in international activities, firms belong to a non-high-tech sector, or firms are resident in countries with less effective regulatory enforcement or English common law. In general, our findings reinforce the importance of national culture in determining the effects of firm- and country-level factors on working capital management policies.

Evidence from a Frontier Market

The Impact of National Culture on Working Capital Management

Financial Management from an Emerging Market Perspective

Working Capital Management and Its Impact on Financial Performance

An Analytical Review of the Effect of Working Capital Development on Financial Performance Measures
Evidence from Sri Lanka

This paper investigates the impact of working capital management on corporate investment and corporate performance of the manufacturing firms that are listed in Borsa Istanbul for the period 2005-2014. Firms that have positive excess net working capital and negative excess net working capital are taken into account. The corporate investment and corporate performance of these two groups are examined. According to the empirical findings, firms with positive excess net working capital and negative excess net working capital have higher corporate investment. It is also reported that firms which have higher net working capital have lower performance. In addition, the firms with lower investment in net working capital also show higher performance. Thus, a negative relation between excess net working capital and performance is reported.

In today's challenging economy, with increasing environmental pressures and limited External resources, the current assets and liabilities as working capital had great importance and Optimal management of working capital of firms considered as a Competitive advantage for them. The main axis of this research was how development of working capital management influences on profitability and liquidity as two important factors of financial performance. This paper was an analytical - descriptive research that reviews the existing literature in this field and classifies them into two groups including the impact of working capital strategies on the performance and the other one was the impact of working capital indicators on the performance. This survey investigated the relationship between working capital strategies and working capital indicators with the performance of organization. The survey result showed that the impact of working capital strategies and indicators on profitability and liquidity considered simultaneously in development of working capital management.

The present study is a humble attempt to collect and review important literature both conceptual and analytically in nature that enumerates the significance of working capital management practices to different firms and industries, operating in the most competitive global business scenario over a considerable period of time. The studies pertaining to working capital management necessarily discuss about corporate practices in managing individual components of current assets, identifying the sources of working capital and controlling the cost of managing inventory, receivables and payables with the basic motto to have a trade-off between the liquidity-risk-profitability aspects of every organization, which ultimately aids to the shareholder's net worth. The major objectives of having such a literature survey is to understand the importance of the study, to analyze the past research work pertaining to the study area, and finally to identify the research gap, if any. In the current study a significant number of research works, conducted mostly in India, and a few more from abroad,

were discussed on a selective basis out of numerous past literature available in the area after having a careful investigation of their coherently linkage with the theme of working capital management. All the literature so discussed are then placed in a sequential manner as and when they appeared to have a legible understanding. It is expected that the review of literature so conducted would enrich the fundamentals and induce necessary stimuli to the analytical mind for furthering the research on this area.

The Profitability - Liquidity Trade-off in Working Capital Management

Impact of Working Capital Management on Profitability

A Study on Indian FMCG Companies

CAPITAL INVESTMENT AND FINANCING FOR BEGINNERS