

"Impact of Working Capital Management on Firm's Profitability: Empirical Evidence from Food and Beverages Sector of Pakistan"



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ABSTRACT

The purpose of this research is to study the impact of working capital management on the profitability of firms in food and beverages sector of Pakistan. Panel data methodology for pooled regression analysis was used for a sample of Ten KSE listed Pakistani firms for a period of five years starting from 2009-2013. The results showed that profitability of firms is affected by the changes in working capital management practices. Moreover, managers can improve profitability of firms by shortening their average collection period, increasing their payment period and maintaining high inventory to avoid shortage of products. Cash conversion cycle was seen to have significantly positive relation with profitability. In short, managing working capital efficiently would bring about positive changes in profitability of Pakistani firms.

DEDICATIONS

I would like to dedicate this work to my loving husband and to my caring parents for their constant support and words of encouragement throughout my hard work.

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