



**IMPACT OF WORKING CAPITAL
MANAGEMENT ON PROFITABILITY OF THE
FIRM OF CEMENT SECTOR IN PAKISTAN**

**A Thesis submitted to Department of Management Sciences in
part fulfillment of the requirement for the MBA degree**

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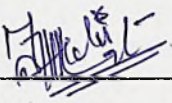
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ABSTRACT

PURPOSE: Foremost purpose of the writing of this paper was to highlight the effects of management of WC on the productivity of the firms. Those firms which are operating under the segment of cement in Pakistan. The aim behind this was the contradictions of previous researches, that in some researcher's point of view, destructive affiliation in both and other views was constructive, for getting the evidential prove about them, this paper was written by researcher.

RESEARCH STYLE/ METHODOLOGY: The reason of this investigation is to determine the effects of management of working capital on productivity of the firms that comes under the head of cement sector of Pakistan and make a correlation bridge between them. For making the correlation bridge, 18 companies of cement sector are studied from 2007 to 2011. The data used for this research is secondary in the nature. This research used and quantitative panel data analysis. Local as well as international literatures are used to develop the foundation of this research paper. The data which is collected from the official websites of the companies and some heads are taken from the site of state bank of Pakistan, is analyzed in the "Eviews 7" by using panel least square method. Six independent and two controlled variables are used.

FINDINGS: The finding from this research clearly indicates that productivity has positive association with the management of WC, which is indicated from the measures of the WC. Both control variables (current ratio and size of the firm) keep productive affiliation with productivity. From six independent variables, two (ITO and CLTA) keep critical affiliation and other four (DIO, DSO, DPO, and ATO) keep productive affiliation.

PRACTICAL IMPLICATIONS: This study might be contributing the short term knowledge area about the connection between great quantity and management of the working capital. The results of this learning assist the stakeholders to make decisions which enhance the effectiveness of the management of the working capital. This learning donates to detect the ways which will effectively improve the management of the working capital. The results of this learning assist the Pakistani firms to make effective decision of the management of the working capital to make their firms profitable.

KEYWORDS: Management of WC, Productivity, Cement sector, Return on assets, Days inventory outstanding, Days sales outstanding, Days payable outstanding, Short term liabilities to total assets ratio, Assets turnover ratio, Inventory turnover ratio, Current ratio, Size of the firms.