

Analysis Of Liquidity Problems in Mahr Traders

A thesis
Presented to
the faculty of
Management Sciences
Bahria Institute of Management & Computer Sciences, Karachi

In Partial Fulfillment
of the Requirements for the
Degree Master in Business Administration

by

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April, 2008

**Bahria Institute of Management & Computer Sciences,
Karachi**

ACKNOWLEDGEMENT

I owe a couple of individuals my immeasurable gratitude and appreciation. First and foremost I would like to thank the project lead of the Bahria Institute of Management and Computer Sciences Karachi, Mr Reza Hyed for his valuable efforts in directing my completion of study. Ms. Saba Amjad, assistant project leader for her constant guidance and Mr. Aamir Sultan, Project Advisor for his time consuming efforts pertaining to my research.

I would like to thank many more individuals who helped and assisted me in every way possible. I owe my special thanks to the Sole Proprietor of Mahr Trader, Mr. Ramzan Ali Kaba (My Father) for his unconditional support, my mom for her generosity and my sisters for their help in the data collection and compilation process.

ABSTRACT

This thesis is about the problem faced by Mahr Traders. In this thesis I have tried to cover all aspects that can lead Mahr Traders into a problem and applied my best effort to figure out what measures Mahr Traders can take in future to come out of the current shortage of cash.

Mahr Traders incorporated on 28th of April 1986 as a Sole Proprietorship company in Pakistan, with the registered office in Karachi, Sindh. Mahr Trader is a manufacturing company and it manufactures corrugated cartons for packaging various products like garments, handicrafts, bottles, food items, electronics etc.

Mahr Traders purchases the raw material according to the demand of their clients and as the prices of raw material paper and chemicals involved in the manufacturing of packages shoot up their company faces various problems for example the clients do not want to pay higher prices and the creditors demand that payment be made within a month's time therefore it gets difficult for the company to cover its fixed and variable costs at times.

Table Of Contents

S.No	Particular	Page No.
1	Reccomendation of Oral Examination -----	I
2	Panel of Oral Examiner Sheet -----	II
Ch. # 1	Problem and its Background	
1.1	Introduction -----	1
1.2	Statement of Problem -----	1
1.3	Rationale -----	2
1.4	Significance of the study -----	2
1.5	Limitations of the study -----	3
1.6	Definition of terms -----	3
1.7	Contribution of Boxboard in Pakistan -----	4
1.8	Benefits of the study -----	4
1.9	Business prospects of corrugation Industry -----	4
1.1	Share of paper imports -----	5
Ch. # 2	Research Method(s) and Procedure(s)	
2.1	Research Design -----	6
2.2	Respondents of the study -----	6
2.3	Research Instruments -----	7
2.3.1	Primary Data -----	7
2.3.2	Secondary Data -----	7
2.4	Treatment of Data -----	8
Ch. # 3	Review of Related Literature and Studies	
3	Review of related literature and studies -----	9
3.1	Company Literature -----	9
3.2	Local Literature -----	9
	Analysis of Local Literature Review -----	14
3.3	Foreign Literature -----	14
	Analysis of foreign Literature Review -----	16
3.4	Gaps to be bridged by the study -----	16

Ch. # 4	Presentation Analysis	
4.1	Packaging Industry -----	18
4.2	Questionnaire -----	21
4.3	Performance of the company at glance -----	24
4.3.1	Statistical Summary -----	25
		26
Ch. # 5	Summary of Findings, Conclusion and Recommendation	
5.1	Summary of Findings -----	27
5.2	Conclusion -----	28
5.3	Recommendation -----	29
3	Appendices	
	Appendix A -----	31
4	Bibliography -----	34