A STUDY ON COMPARATIVE ANALYSIS OF WORKING CAPITAL MANAGEMENT.

R.Sivaranjani[1], Mrs. B. Kishori[2]
[1]*Final year PG student, Department of Management Studies, Anna University (BIT Campus),*
[2]*Assistant Professor, Department of Management Studies, Anna University (BIT Campus), Tiruchirappalli, Tamil Nadu, India*

***Abstract*- The main part of the financial management is working capital management and it is important for the development of an organisation. Working capital is considered to be life-giving force to an economic entity. When considering about the corporate management, working capital is found to be the most important factor for increasing the efficiency of an organization. It helps in fulfilling the short-term financing requirements of a corporate sector which includes maintaining the best possible balance of accounts receivables, accounts payables and inventory. It is determines the day to day expenditure of an organisation which helps in effective way of handling cash conversion cycle and it is improving the long term profit for the way of improving performance of the company. This study may explain to the different ways of working capital management to develop the sound financial base of the company.**

***Index Terms*- Working capital, Inventory, Profitability**

I. INTRODUCTION

Working Capital Management plays a vital role in Corporate Financial Management. It is the relationship between current assets and current liabilities. Management of working capital is significant to carry the day to day activities of a firm. The purpose following working capital management is to certify stability in the operations of a firm and that it has sufficient funds to satisfy both maturing short-term debts and recent operational overheads. It mainly involves management of inventories, accounts receivables, accounts payables and cash conversion cycle. Working capital management is concerned with the problems that arise in attempting to manage the current assets and current liabilities the relationship that exists between both of them. The term current assets refer to those assets which are in usual course of business actions can be, or will be easily converted into cash within short term period without undergoing a decreasing in value and without disrupting the operation activities of the firms. Examples are cash, marketable securities, account receivables and inventory. On the other sides, current liabilities are those liabilities which are intended, at their inception to be paid in the casual course of business in a period out of current assets or income of the concern. The basic current liabilities are account payables, bills payable, bank overdraft and outstanding expenses. Efficient handling management of working capital is a key part of the overall corporate strategy to create and improve shareholders' value.

A firm most required area is effective management of working capital. Working Capital Management manage all decisions makings actions that usually influence the size and usefulness of the working capital. It is anxious with the various courses of action of working capital sources and the purpose of proper levels of the current assets and their uses. It is pointed to the supervision of current assets, current liabilities and the associations that exist between them. Proper administration of working capital leads to a material savings and ensures financial returns at the most favourable level even on the minimum level of capital in employment. Both adequate and inadequate working capital is destructive for a firm. Extreme working capital leads to Unproductive use of limited funds. On the other hand, insufficient working capital usually interrupts the regular operations of a business and impairs productivity.

II. WORKING CAPITAL STRATEGY

Working capital strategies has been the accountability selected to those managers in accounting and finance departments. However, today's economy is changing those roles and many managers who conventionally were not part of this process are being called upon to take pro-active steps in fell the risk associated with working capital. A company's final long-term success is based upon all departments within the organization coming together to fulfil its business purpose. The same ideas should be used in managing the company's working capital strategies. It is probably not in the best interest of the company to provide all departments with every aspect of the current financial condition. Working capital is the distinction between current assets and current liabilities, which is a part of capital that needn't to pay off in the short term. That is, working capital reflects the relative stability of short-term capital. We can be learned on the enterprise's financial risk, by the value of working capital and some related indicator.

III. WORKING CAPITAL MANAGEMENT SYSTEM

Constructing a working capital management system is to support the management and make it more logical. Moreover; a resourceful management system should be applicable to all types of working capital management practices, and be constantly reparable. To meet this need, we propose a management system based on the performance management theory. In particular, the system include the following five consistent elements, they are management goal, business environment, management policy, management mode and performance assessment. The overall management system is under the direction of the object. Besides, its policy is based on the business atmosphere and enterprise's aptitude estimation. After execution is working capital management presentation evaluation. According to the performance result, we will engage in the modification of working capital management system. The system is a cycle to accomplish the long-term progress of working capital management.

A. Management Goal

Management goal is the core of working capital management system, which provides a regulation to the whole management process. Therefore, clear the goal of working capital management system is a most important project. We propose that enterprise's value maximization can be observed as the goals. That reflects the unity between working capital management and financial management, at the similar time; it also reflects the service relationship between them. Specifically, we will subdivide the goal into profitability, risk and efficiency. Some working capital items such as inventory, accounts receivable, accounts payable, accounts payable, accrued wages payable, taxes payable and so on occur from the operating actions, for which are fixed on their effectiveness. Some working capital like cash, securities, dividends receivable, current liabilities, interest payable and so on are about the symptom of liquidity and debt, which is major expedition of the risk. The management efficiency is mostly reflected during its earnings situation.

B. Business Environment

Evaluation the current business environment is a prerequisite to working capital management. In a board sense, there are external and internal environment. Specifically, the, environment includes economic situation at home and abroad, like the industrial characteristics, production and sales, cash control and so on. We will know the business demand and operating risk for working capital through the environment assessment, which can help us make targeted working capital management policy. Industrial characteristics affect working capital requirements in a large extent, as well as the enterprise's own capacity. In General, the working capital requirements in retail may less than that in manufacturer, as their relatively lower value of inventory and the little credit. In addition, the management of accounts payable recovery and bargaining power to up streams are also important factors. Even if in the same industry, enterprises who can timely receive the receivables or defer payables may own less working capital, because of an efficient turnover. Economic situations at home and abroad such as the national economic recession, Inflation, interest rate, exchange rate and so on will also affect working capital items in various ways.

C. Management Policy

Enterprises have to keep a certain amount of working capital to meet their needs, at the same time to spend the cost. Thus, working capital management policy implies a comprehensive consideration of risk and the cost. In accordance with the working capital requirements over time, we divide it into permanent and temporary. Permanent

Working capital is held for normal operation. While temporary working capital is for the high season. Steady management policies require a certain amount of temporary working capital on low season. And the radical policies relax the requirements for permanent working capital. The radical working capital management policy spends lower capital cost by increased operating risk. Usually, the enterprises who manage working capital efficiently will gain valuable investment opportunity from the reduced cost. Those who select steady working capital management policy seem to be risk followers. By holding more working capital, enterprises can easily cope with sudden changes, which gains from the high cost. Under the instability external economic environment when the enterprise is counter-measures, the steady policy would be a good choice. Regardless of which management policy, the one is guided by the goal and combined with the business environment, is what we need.

D. Management Mode

The management mode is matched with working capital management policy, which is a specific implementation for the management process. We believe that the mode which concerns on value chain of up and downstream is better, as the most important items in working capital arise from those areas. Strengthen the control of value chain can gain more with less. Direct management for highly-liquid items like cash, short-term debt and so on is also very important, as they are important parts of working capital. To this end, were commend that the working capital management mode can regard the value chain management as a primacy and the direct management as an aid. The working capital management mode reflects the risk-attitude of enterprise. Those managers courage to accept the risk seems to focus on value chain. By improved bargaining power to channels, they can reduce the cash holdings to meet working capital's needs. When the items are not so good on the liquidity, firms tend to hold cash or reduce short-term debt. Direct management allows managers to deal with the risk calmly and catch good investment opportunity.

E. Performance Evaluation

Performance evaluation is a summary of the past working capital management, where we can find problem and prepare for the management process modification. These indicators to reflect performance will be taken to compare with the other enterprises' in the industry or its plan, and then we can get the information on working capital management performance. To make the results more reliable, we should pay attention on comparability and evaluation useful when choose enterprises for external evaluation. If the enterprise is not comparable, or itself is poor in the management, the working capital performance evaluation seems meaningless. Evaluation indicators are important elements of the performance evaluation, which are based on the management goal and combine with the operating requirements. Profitability is reflected by the relationship between working capital and cost or revenue. Its main financial indicators are working capital productivity, sales planning ratio and so on. The financial risk of working capital management arises when capital holdings is unable to meet their actual demand .So main indicators are working capital requirements, working capital adequacy ratio and so on. Traditional performance indicators reflect the management efficiency of working capital, like cash conversion cycle, merchandising ratio and so on. In addition, to enhance the channel management, working capital cycle can be divided into procurement, production and marketing channel cycle. So we will get the Information on the operation of different segments. There is no mandatory provision on working capital management performance indicators, but consistent within the industry will contribute to comparison and evaluation.

To study the working capital performance of the selected company, various ratios has been taken into consideration.

IV. PROFITABILITY

Profitability ratios depict how much of profit a company is generating. To measure company's ability to generates profit within a specific context.

1. Cash Conversion Cycle:

The main feature of WCM is cash conversion cycle (CCC) (Deloof, 2003). CCC defines as the time between selling the product on credit and return of that product's payment. If the CCC increases that means our payment is more delay. Due to this, our capital is more in working capital. The results of greater time period of CCC is very harmful for the organization because as greater time period of CCC the interest expenditures increase, the risk of default increases and the profitability decreases. Therefore, as CCC low, the management is more efficient and the benefit of low CCC is increasing the firm's liquidity plus profitability. The cash conversion cycle (CCC), were also used as a comprehensive measure of working capital management. It is measured by adding inventory receivable days with account receivable days deducting account payable days. The longer the cash conversion cycle, the greater the net investment in current asset and hence the greater the need to sought for funds to finance the current assets. The introduction the cash conversion cycle is used as a measure in order to gauge profitability. This measure is described by the following equation:

Cash Conversion Cycle = No of Days A/R [12] ***+ No of Days Inventory – No of Days A/P*** [13]

In turn the components of cash conversion cycle are given below:

No of Days A/R = Accounts Receivables/Sales*365

No of Days Inventory = Inventory/Cost of Goods Sold*365

No of Days A/P = Accounts Payables/Cost of Goods Sold*365

2. Operating Cycle:

The duration of time required to complete the following sequence of events, in case of manufacturing firm, is called the operating cycle:

1. Conversion of cash into raw materials.
2. Conversion of raw materials into work-in-progress.
3. Conversion of work in process into finished goods.
4. Conversion of finished goods into debtors and bills receivables through sales.
5. Conversion of debtors and bills receivables into cash.

The length of cycle will depend on the nature of business. Non manufacturing concerns, service concerns and financial concerns will not have raw material and work-in-process so their cycle will be shorter. Financial Concerns have a shortest operating cycle.

3. Return On Equity:

ROE is return on equity and is the dependent variable in the study. This ratio has been used by several authors in the financial literature including Gatsi and Akoto (2010) to proxy firms' profitability. It is computed as net profit divided by total asset. All else equal, firm profitability increases when companies improve upon their WCM practices.

4. Return On Assets:

Return on assets means how much a firm generates profits and effectiveness with given resources. It is also called return on investment (ROI). It also checks it out the correlation among value of firm plus liquidity. He takes the results and found that there was indirect relationship between return on equity, return on assets and CCC. Analyze the effects of working capital management on the firm's profitability; we used the return on assets (ROA) as the dependent variable. We defined this variable as the ratio of earnings before interest and tax to assets.

V. LIQUIDITY

Liquidity means a company to meet the ability to pay of its liabilities and to meet its financial obligations. How the company can access the money for it need to cover its debt. Liquidity is a measure related to working and it's financing.

Analysis of the liquidity Position by Motaals Comprehensive Test

Motaal's Comprehensive Test method of ranking has been applied to reach at a more comprehensive assessment of liquidity in which four different ratios viz, networking capital to current assets ratio, inventory to current assets ratio, liquid assets to current assets ratio and loans and advances to current assets ratio have been computed and combined in a points score. A high value of networking capital to current assets ratio or liquid assets to current assets ratio shows greater liquidity and accordingly ranking has been done in that order. On the other hand, a low inventory to current assets ratio or loans and advances to current assets ratio indicates more favourable liquidity position and therefore, ranking has been done accordingly in that order. Ultimate ranking has further being done on the basis that the lower the total of individual ranks, the more favourable is the liquidity positions of the concern and vice versa. In this test the following ratios (shown in percentage) have been taken into consideration.

I. Inventory/ current assets
II. Debtors /current assets
III. Cash & bank/ current assets
IV. Loans & advances& other assets/ current assets
For I) the lower the ratio the more favourable is the position and ranking has been done in that order. For ii), iii), and IV) the higher the ratio, the more favourable is the position and thus ranking has been done in that order. Ultimate ranking has been done on the principle that lower the points scored the more favourable are position and vice- versa.

Analyse the liquidity position by ratio's

Current ratio

The Current Ratio (CR) is an important measure of analysing the firm's ability to pay off its current obligations out of its short-term resources. Thus it indicates the relationship between current assets and current liabilities of a company. The higher the CR, the higher is the amount available per rupee of current obligations and accordingly, the higher is the feeling of safety and security.

C.R=Current assets/Current liability

The current ratio is using only to analyse the liquidity position of the company. It is higher rate of current ratio are shows the company will be having lower rate of liquidity.

Quick ratio

This ratio is widely used parameter of judging the short-term repaying ability of a firm in the near future. The rule of thumb about quick ratio is 1:1. This ratio is a refinement over current ratio as it's considers the quality of current assets. The exclusion of inventory is based on the fact that it cannot be easily and readily converted in to cash. Prepaid expenses by their very nature cannot be used for payment of current obligations.

Q.R= (current assets-stock) /(current liability-bank overdraft)

This ratio analyse for knowing the company are required to be pay off immediately or at short notice.

Absolute liquid ratio

This ratio is also called as Super Quick Ratio and is a more rigorous test of liquidity position of a firm. Absolute liquid assets (Cash in hand, Cash in Bank and Marketable Securities) are divided by current liabilities for computation of this ratio. CPR is interpreted in respect of current obligations. A high CPR is good from the creditor's point of view whereas from the management point of view it indicates poor investment policies.

A L.R= (cash and bank balance+ marketable securities)/ (current liabilities- bank overdraft)

This ratio are analyse the investment policies for the purpose of investor's protection.

Inventory Turnover Ratio

This ratio throws light on the inventory control policy adopted by a concern. This ratio shows the relationship between the cost of goods sold during a particular year and inventories kept by a concern during that year. Higher ITR shows a higher efficiency of the management and vice-versa.

ITR= (sales-gross profit)/closing stock

Inventory turnover ratio are shows the lower or higher investment in inventory for helping the company's profits.

Debtor's Turnover Ratio (DTR)

This ratio throws light on the credit and collection policy pursued by a concern. DTR is an important tool of analysing the efficiency of liquidity position of a company. The Liquidity position of a company depends on the quality position of a company depends on the quality of debtors to a great extent. It measures the rapidity or the slowness of their collectibles.

DTR= (Net sales /closing stock)

This indicates the company followed the liberal credit policy to collect the cash from debtors or the company had not taken appropriate collection efforts.

Relationship between Liquidity and Profitability

1. Spearman's Rank Correlation has been applied to evaluate the relationship between liquidity and profitability. For this purpose spearman's rank correlation coefficient is computed as below.

Rxy= 1-[6 **Σ**D2/ (N3-N)]
Rxy= rank correlation co-efficient
D= rank difference (R1-R2)
N= number of observations

To check the significance of the relationship between liquidity and profitability, t test has been applied. If the calculated value of t is less than table value, the null hypothesis will be accepted and vice versa for a given significance level. The t test is calculated as follow: t = R√ (n-2) / √ (1-R2)

Where R= Rank Correlation coefficient, n= No. of observations

In addition to above, simple statistical measured like mean S.D, coefficient of variation has been used in this study.

2. Analysis of Regression Results

This section elucidates the relationship between working capital management and profitability of listed manufacturing companies in the Accra Metropolis based on the results of table 3. The accounts payable days, inventory days and cash conversion cycle are the measures of working capital in the regression model.

The results of regression model where the dependent variable is return on equity having the same independent variable of working capital investment policy and working capital financing policy. As the degree of aggressiveness of working capital policy tends to increase, the returns are likely to decrease. Though, the results are statistically highly impressive which is apparent from the high level of significance of ù coefficients and t-values, however, they predict a negative relationship between the degree of aggressiveness of working capital policy and accounting measures of returns.

3. Univariate analysis

A univariate analysis in order to determine if there are significant differences in the variables studied between the most and least profitable firms. Table IV reports the average value of the variables of the study for each quartile of the variable ROA. We calculated the quartiles annually, so the range of variation of ROA overlaps between quartiles. Subsequently, we carried out a parametric difference of means test based on Student's t, to determine whether the average values of the fourth quartile are significantly different from those of the first.

The mean values of the variables studied are significantly different between the most profitable (fourth quartile) and least profitable (first quartile) firms. Thus, in the most profitable firms, we observe shorter number of days accounts receivable, days of inventory and days accounts payable, as well as shorter cash conversion cycles. These firms are also larger, and have superior sales growth and lower leverage.

4. Multivariate analysis

In order to determine the effect of working capital management on corporate

Profitability, we used the following equations:

$ROAit = \beta 0 + \beta 1ARit + \beta 2SIZEit + \beta 3SGROWit + \beta 4DEBTit + \beta 5GDPGRit + \eta i + \lambda t + \varepsilon it$ (1)

$ROAit = \beta 0 + \beta 1INVit + \beta 2SIZEit + \beta 3SGROWit + \beta 4DEBTit + \beta 5\ GDPGRit + \eta i + \lambda t + \varepsilon it$ (2)

$ROAit = \beta 0 + \beta 1APit + \beta 2SIZEit + \beta 3SGROWit + \beta 4DEBTit + \beta 5\ GDPGRit + \eta i + \lambda t + \varepsilon it$ (3)

$ROAit = \beta 0 + \beta 1CCCit + \beta 2SIZEit + \beta 3SGROWit + \beta 4DEBTit + \beta 5\ GDPGRit + \eta i + \lambda t + \varepsilon it$ (4)

Where ROA measures the return on assets, AR the number of days accounts receivable, INV the number of days inventories, AP the number of days accounts payable, CCC the cash conversion cycle, SIZE the company size, SGROW the sales growth, DEBT the debt level, and GDPGR the annual GDP growth. ηi (unobservable heterogeneity) measures the particular characteristics of each firm. The parameters λt are time dummy variables that change over time but are equal for all the firms in each of the periods considered.

5. Estimated Relationship Between Liquidity And Profitability:

To know the relation between liquidity and profitability, only two ratios are taken. Current ratio is taken as the indicator of overall liquidity and return on capital employed is taken as the principal indicator of profitability. Karl Pearson's correlation coefficient has been calculated to know the relationship between the two variables whether exist or not. To test the significance of the relationship between liquidity and profitability, work out by way of correlation coefficients 'T-test has been applied. The t- statistics as follows

$t = R\sqrt{(n-2)} / \sqrt{(1-R2)}$

Where r = correlation coefficient n = number of observations. The correlation coefficient between liquidity and profitability of the selected company is observed to be 0.27under the study period. The calculated value of t = .08. At 5% level of significance the table value of t (2 tailed) = 3.18. Therefore, the null hypothesis is accepted and concludes that there is an inverse relationship between liquidity and profitability under the study period.

VI. LITERATURE REVIEW

1. (T.Chandrabai D. J., 2011)This study analyses the comparative study of working capital management in Indian Electrical Equipment Industry and it is limited to the companies BHEL and ABB Ltd represent public and private sector enterprises respectively. Relevant data has been extracted from the consecutive annual reports between financial years 2005-06 to 2009-10 of both the companies. In this study we found that there is a need of improvement in debtors and debt

collection policy. The management of should be try to proper utilization of debtor's and also try to maintain the debtors as per their requirement so liquidity will not interrupted. 2. (Prof.K.R.Ramana, 15) Working Capital Management refers to the management of short term financing requirements of a firm. This include ensuring the optimum balance can be achieved by minimizing the working capital requirements and realizing maximum possible revenue.3.. (Ebenezar, 2013)This study examines the effect of working capital management on the profitability of companies listed on the Ghana Stock Exchange. Secondary data from the Ghana Stock Exchange on manufacturing companies within the Accra metropolis was used to examine whether working capital management influence the profitability of manufacturing companies in the country.4.. (OWOLABI, 2010)Working capital management as a financial strategy has its effects on liquidity as well as profitability of the firm. In this study Nestle Nigeria Plc. was selected for a period of five years from 2004-2009.The effect of different variables of working capital management including current ratio and collection days on Gross profit movement co-efficient was used for analysis. This indicates that as collection days are reduced there will be increase in profitability. The firm should be aggressive in the management of its working capital to improve profitability. 5. (Maria Elfani, 2010) Working Capital is described as capital available to meet the day –to-day operations, and depending on the industry , it could be a relatively high percentage of the total assets of the organization.6.. (Sharma M. G., 2016)The present paper examines the working capital performance of Bharti Airtel during the period 2007-08 to 2014-15. An attempt has been made to measure the working capital performance with the help of ratio analysis. Motaals test also indicated significant improvement in liquidity performance during the study period. Finally, there exists significant negative relationship between liquidity and profitability, which indicates that Bharti Airtel has maintained post optimal level of liquidity (i.e., excess liquidity) during the period under study.7.(Dr.G.Ramanaiah, Liquidity Management In MAA Fruits Pvt Ltd, 2011) The ultimate objective of any firm is to maximize the profit but increasing the profit at the cost of liquidity can bring serious problems too. A company having a proper set of liquidity management policies and procedure will improve profits, reduce the risk of corporate failure and significantly improve its chances of survival. Effective liquidity management will enable organization to derive maximum benefits at minimum cost. The study result show that the company enjoyed sound liquidity during the study period 2002-2006 but relationship between liquidity and profitability are statistically not significant. 8 .(Padachi, 2006) A well designed and implemented working capital management is expected to contribute positively to the creation of a firm's value. A firm is required to maintain a balance between liquidity and profitability while conducting its day to day operations.9. (Moradi, 2012) The main objective of the current study is comparing working capital management of two groups of listed companies in Tehran Stock Exchange. The results show that, in medicine industry compared to chemical industry, debt ratio makes more impact on reduction of net liquidity. The Statistical society of this research is comprised of chemical industry and medicine industry that are listed in TSE. In chemical industry, 34 companies, and in material and medicine industries, 30 companies were selected and information related to these companies is gathered over 10 years (2001-2010).10. (Haresh, 2012) Working capital refers to the firms investment in short terms assets. The management of working capital is important to the financial health of business of all sizes. The management working capital affects the liquidity and profitability of the corporate firm and consequently its net worth.11. (Lazaridis) In this paper we investigate the relationship of corporate profitability and working capital management. We used a sample of 131 companies listed in the Athens Stock Exchange (ASE) for the period of 2001-2004. The purpose of this paper is to establish a relationship that is statistical significant between profitability, the cash conversion cycle and its components for listed firms in the ASE. The results of our research showed that there is statistical significance between profitability, measured through gross operating profit, and the cash conversion cycle.12. (Garcia-Teruel, 2003)The objective of the research presented here is to provide empirical evidence about the effects of working capital management on the profitability of a sample of small and medium-sized Spanish firms. With this in mind, we collected a panel of 8,872 SMEs covering the period 1996-2002. The results, which are robust to the presence of endogeneity, demonstrate that managers can create value by reducing their firm's number of day's accounts receivable and inventories.13. (Mumtaz) The main objective of this paper is to determine the impact of working capital management on firm's performance in progressing market such as Karachi stock exchange. In this paper we utilized different variables for the analysis of working capital management and firm performance in KSE for a sample of 22 firms of chemical sector for the period of 6 years from 2005-2010. The variables that were used in this study for the measurement of working capital management are number of days receivables, number of days inventory and the Size, Leverage, Inventories, Equity, Sales, and GDP are the control variables. The relationship between the size and profitability is positive. If the size of the firm is increased or decreased then the profitability increased or decreased respectively. Moreover, there are negative relationship between the profitability and the debt utilized by firms that support to pecking order theory.14. (Al-Shubiri, 2010)The study analyzes the working capital management practices and their impact on profitability and risk of industrial Jordanian firms for the period of 2004 to 2007. The total sample of the study consists of 59 industrial firms listed on Amman Stock Exchange. The result indicates a negative relationship between the profitability measures of firms and degree of aggressiveness of working capital investment and financing policy. The firms yield negative returns if they follow an aggressive working capital policy.15. (SEN) In this study, the effect of change in management efficiency in working capital management in to the change in working capital is compared by company size and sectors. The data of this study covers sixty periods as the total of quarterly financial statements of 55 manufacturing companies which were in operation in Istanbul Stock Exchange (ISE) between the years 1993 and 2007.In this study, management inefficiency in the issue of inventory management related with ISE companies is seen as a major result.16. (Akoto, 2013)Working capital management plays a vital role in the success of businesses because of its effect on profitability and liquidity. The purpose of this study is to examine the relationship between working capital management practices and profitability of listed manufacturing firms in Ghana. The study used secondary data collected from all the 13 listed manufacturing firms in Ghana covering the period from 2005-2009. Using panel data methodology, the study finds a significantly negative relationship between profitability and accounts receivable days. However, the firms' cash conversion cycle, current asset ratio, size, and current asset turnover significantly positively influence profitability.

VII. CONCLUSION

We choose working capital management process as the study object, and then construct a set of management system based on the performance. For the whole management process in enterprise, management goal is the guidance. A match able working capital management policy should consider about the internal and external business environment, besides, efficient execution is also needed to get high performance. While, the final goal relays on the modifying cycle of working capital management, which is based on the performance. What's more, it also requires courage to deny and innovate. Totally, the management elements work together for working capital management.

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