

**IMPACT OF WORKING CAPITAL MANAGEMENT ON
PROFITABILITY OF LISTED PLANTATION COMPANIES IN
SRI LANKA**

by



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ABSTRACT

This research is aimed at analyzing the impact of Working Capital Management on Profitability of listed plantation companies in Sri Lanka. The working capital management is measured by using four dimensions. Such as, Cash conversion cycle, Inventory turnover period, Average collection period and Average payment period. Profitability is measured by using two dimensions. Such as Net profit ratio and Return on equity. This study consists of sample of 18 plantation companies in listed in Colombo Stock Exchange. Secondary data were collected for this study. Secondary data were collected from annual reports of each companies for years from 2013 to 2017. Excel and SPSS package were used for data analysis and presentation. More ever managers can create profit for their firms by handling correctly the Cash conversion cycle and keeping each different component (Account receivable, Account payable and Inventory) to an optimal level. This study attempted to give some knowledge about the analysis of working capital management and profitability of listed plantation companies in Sri Lanka. The result depicts that, there is a positive significant impact of Working Capital Management on Profitability of selected plantation companies in Sri Lanka with only Cash conversion cycle while the Inventory turnover period, Average collection period and Average payment period were excluded from the analysis.

Keywords: Cash conversion cycle, Inventory turnover period, Average collection period, Average payment period, Net profit ratio, Return on equity

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