UNIVERSITI TEKNOLOGI MARA

EFFECTS OF WORKING CAPITAL MANAGEMENT IN TORONTO EXCHANGE ON OIL AND GAS SECTOR PROFITABILITY

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AUTHOR'S DECLARATION

I declare that the work in this project paper was carried out in accordance with the regulations of University Teknologi MARA. It is original and is the result of my own work, unless otherwise indicated or acknowledged as referenced work. This thesis has not been submitted to any other academic institution or non-academic institution for any degree or qualification.

I, hereby, acknowledge that I have been supplied with Academic Rules and Regulations for Universiti Teknologi MARA, regulating the conduct of my study and research.

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ABSTRACT

Working capital is a crucial element in order to manage the liquidity of the firms effectively. Working capital used to track the asset and liabilities of companies. It is also necessary which helping companies to make short-term decisions. The aim of carried out this research is to examine the factor affecting working capital management of oil and gas sector in Toronto Exchange that is cash conversion cycle (CCC), current ratio (CR), debt ratio (DR) and sales growth (SG) toward the return on total asset (OI) of the firms. A panel data of 10 firms selected based on its price to book value consists of five (5) from oil and gas companies and another five (5) from energy services companies. This research will be conduct in period of fifteen (15) years that is from year 2002 to 2016. This research use Ordinary Least Square (OLS) method of analysing the panel data. From this, it will be estimate that the variables of cash conversion cycle (CCC) and sales growth (SG) will have a positive relationship with profitability of firms. While variables of current ratio (CR) and debt ratio (DR) will have a negative relationship toward return on total asset. Thus, the length of period taken to liquid their asset and sales generated by companies related to improve the performance of the firms.

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