



**Working Capital Management and Profitability:
Evidence from Malaysia**

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**CHAPTER 1:
INTRODUCTION**

1.2 INTRODUCTION

This study is to investigate the working capital management and profitability of listed companies in Kuala Lumpur stock exchange that are shariah compliance. This chapter consists of several sub-chapters emphasis on background of research study includes overview on Gross Operating Profit of manufacturing company, problem statement, research questions, research objectives, scope of study and limitation research and also the summary of Chapter 1.

Profitability is referring to the performane of company that being influenced by several variables such as Account Receivables, Account Paybles, Cash Conversion Cycle (CCC), Inventory turnover, Debt Asset Ratio and Financial Asset Ratio. An explanation of the independent variable and dependent variables is provided and this study is to discover the relationship of the working capital management and profitability of listed in Kuala Lumpur stock exchange.

The background of the study, this research will discuss about the independent and dependent variables, wheryby the independent variables are selected by working capital management and the dependent variable is the profitability. This relationship subject matter of the problem statement is to determine the extent of working capital mangement influence.

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