

**IS WORKING CAPITAL REALLY WORKING?**

**A PAPER SUBMITTED TO  
THE MARA INSTITUTE OF TECHNOLOGY  
IN PARTIAL FULFILLMENT OF  
THE REQUIREMENT FOR  
THE ADVANCED DIPLOMA IN  
ACCOUNTANCY**

**BY**

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DATE : 14TH APRIL, 1993**

## ACKNOWLEDGEMENT

My special gratitude to my advisor, Puan Latipah Sulaiman of School of Accountancy for her advice and guidance throughout the preparation of this project paper.

I wish to record my deepest appreciation to the following personnels for their cooperation:-

Cik Wan Hasni Wan Ismail  
Accounts Executive  
Landrover (M) Sdn. Bhd.

Mr. Phang Cheong Seok  
Accounts Executive  
Pfyzer (M) Sdn. Bhd.

Siti Kamaliah Megat Mohd Yusoff  
EDP Officer  
Pfyzer (M) Sdn. Bhd.

Finally, I am also indebted to those who have been helping me in making this paper a successful.

## **ABSTRACT**

The measurement and disclosure of working capital on the financial statement which is in the balance sheet has been considered as an appropriate accounting functions for decades. It has been followed for the purpose of financial analysis almost without question. However, the young generation of accounting professionals are arguing that the disclosure of working capital in the balance sheet is less important in determining liquidity position. Some of them even claimed that the working capital concept is misleading. This project paper was carried out with a purpose to understand clearly the concept and to analyse as to whether the presentation of working capital items is able to provide a true and fair view of liquidity position.

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