

UNIVERSITI TEKNOLOGI MARA



**THE EFFECTIVENESS OF WORKING
CAPITAL MANAGEMENT IN A
CONTRACTOR COMPANY:**

A CASE OF GENTAWANG SDN BHD

PUTERI NAHZATULSHIMA BT MEGAT ISMAIL

This applied research project is submitted in partial fulfilment of the
requirement for the degree of
Master in Forensic Accounting and Financial Criminology

Faculty of Accountancy

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CANDIDATE'S DECLARATION

I hereby declare that this paper is my own work and effort and that it has not been submitted anywhere for any award. Where other sources of information have been used, they have been acknowledged.

In the event that my applied research is found to violate the conditions mentioned above, I voluntarily waive the right of conferment of my degree and agree to be subjected to the disciplinary rules and regulations of the Universiti Teknologi MARA.

Name of Candidate: **PUTERI NAHZATULSHIMA MEGAT ISMAIL**

Candidate ID No: **2012218334**

Programme: **AC773- Master in Forensic Accounting And
Financial Criminology**

Faculty: **Accountancy**

Applied Research Title: **The Effectiveness Of Working Capital
Management In A Contractor Company: A Case
Of Gentawang Sdn Bhd**

Signature of Candidate: 
.....

Date: **07 June 2014**

ABSTRACT

The need to main effective working capital management within company remain pivotal to solvency and liquidity. Most company do not care about their working capital position, most have only little regard for their working capital position and most do not even have standard credit policy. Many do not care about their financial position, they only run business, and they mostly focus on cash receipt and what their bank account position is.

For the purpose of this study, standard working capital ratios were used to measure the effectiveness of working capital in Gentawang Sdn Bhd. The firms selected show signs of overtrading and illiquidity, concerns was on profit maximization without taken cognizance of payment of creditors. The firms exhibit low debt recovery over credit payment. It is recommended that for company to survive within Malaysia economy they must design a standard credit policy and ensure good financial report and control system. They must give adequate cognizance to the management of their working capital to ensure continuity, growth and solvency.

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