



**THE EFFECT OF WORKING CAPITAL
MANAGEMENT TOWARDS FIRM'S
PROFITABILITY: EVIDENCE FROM
CONSUMER INDUSTRY OF
BURSA MALAYSIA**

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DECLARATION OF ORIGINAL WORK



BACHELOR OF BUSINESS MANAGEMENT WITH HONOURS (FINANCE) UNIVERSITI TEKNOLOGI MARA “DECLARATION OF ORIGINAL WORK”

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ABSTRACT

Working capital is used in daily business activities; working capital distinct between the present resources and current liabilities or obligations. Working capital act as a determinant for the financial stability of the business and firms. This shows that distributing the working capital efficiently is crucial for the firm's key money related wellbeing and operation contribution as a business. The main idea of this research study is to determine the relationship between working capital management and consumer product firm's profitability in Malaysia started from 2010 to 2019. The frequency used were based on annually data of panel data from the company financial statement which was obtained from the Thomson Reuters. Besides, panel data regression model was used to identify the significant relationship between the independent and dependent variables. Based on the result, it depicts that working capital management and days of sales outstanding were found to have a significant relationship firm's profitability. However, there were no significant relationship between days of inventory outstanding and days of payable outstanding towards firm's profitability. Thus, the main variable that affect the consumer product firm's profitability in Malaysia is the days of sales outstanding.

Keywords: working capital, days of sales outstanding, days of inventory outstanding, days of payable outstanding, profitability, consumer product firms, Malaysia