



UNIVERSITI TEKNOLOGI MARA

**EFFECT OF WORKING CAPITAL
MANAGEMENT TOWARDS PROFITABILITY OF
COMPANIES IN MALAYSIA**

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of the requirements for the degree of
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AUTHOR'S DECLARATION

I declare that the work in this final year project paper was carried out in accordance with the regulations of Universiti Teknologi MARA. It is original and is the results 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 the Academic Rules and Regulations for Undergraduate, Universiti Teknologi MARA, regulating the conduct of my study and research.

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ABSTRACT

The purpose of this research is to determine the profitability of companies under the technology sector in Malaysia through the working capital management. The objective of this study is to examine the relationship between cash conversion cycle (CCC), current ratio (CR), current asset to total asset ratio (CATAR), current liabilities to total asset ratio (CLTAR) and debt to asset ratio (DTAR) on return on asset (ROA). This study covers the period from 2008 until 2017 by using panel data. The results of this study concluded that four independent variables, CCC, CR, CATAR and CLTAR have significant relationship towards the ROA. However, DTAR does not have influence on ROA. Therefore, it highlights the importance of managing working capital requirements in order to improve on company's profitability and this aspect must be prioritize within the company's strategy to be more effective and efficient.

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