Impact of Working Capital Management on Profitability of Small and Medium Scale Enterprises (SMES)

Abebe Asfawu

Assistant Professor & Dean, Department of Management,
College of Business and Economics, Bule Hora University, Ethiopia
Email Id: asfawuabebe@gmail.com

Abstract: *This study investigates the impact of working capital management on profitability of small and medium scale enterprises (SMSE) in Guji Zone. The study used both primary and secondary sources of data; the primary sources of data obtained through personal interviews as well as questionnaires with respondents of the SMSEs while secondary data obtained from various document analyses to support data obtained from primary sources. Data obtained from 224 respondents. Sample size determined by using Taro Yamane simplified proportional formula, from a total population of 155 Guji Zone SMSE and office of towns food security's and job creation offices. Then the stratified sampling technique has been used to collect the data from micro, small and medium scale enterprises. The data collected was analyzed using the SPSS version 20 (statistical package for social science), percentage counts, Pearson correlation analysis and multiple linear regression technique. The finding of this research proved that the inventory holding period (IHP), account receivable period (ARP), Account payable period (APP) and Approaches of working capital (AWC) of the working capital management were statistically significant and positively related with the improvement of profitability in the SMSE of East Guji zone. Thus, the SMSE of Guji zone should support more for the impact of working capital management by minimizing length of inventory holding period, Firms should have a proper debt management policy and ensure that bad debts are provided for uncollectable receivable. The SMSE should have Proper credit management policies since it help a firm to enjoy benefits of credit discounts. Finally the SMSE of Guji zone should also use either matching, aggressive or moderate approaches in managing working capital because it has the impact on profitability of firms and the SMSE of Guji zone should relay on short term financing since it increases the profitability of Guji zone.*

Key words: *Working capital, Credit, Profitability, Inventory.*

I. Introduction

All over the world small and medium enterprises (SMEs) are deemed as spine of a country's economy and it play a key role in economic development. Small and medium enterprises (SMEs)make a significant role to employment, GDP, and are important contributors to total employment and job creation (Smirat, 2016). Working capital management deals with the management of all portions of both current assets and current liabilities to reduce the risk of going bankrupt and at the same time increasing returns on assets (Lynch, 2005). Many small and medium organizations have suffered particularly of poor working capital management and a lack of financial management skills (Jay S Matadeen & Sailesh Aukhorjee, 2014).

An optimal level of working capital management would be reached by achieving a balance between liquidity and profitability (Bellouma, 2018). In

fact, if the company adopts a working capital management policy with an excessive level of current assets, the risk of liquidity may be reduced. Though the effect of working capital management on profitability is important, only a few empirical studies have been conducted to observe this relationship in Ethiopia generally and in Guji zone particularly.

Small and Medium Enterprise (SMEs) relied on manual methods of inventory and majority does not know anything about economic order quantity model (Ben K, 2012). The SMEs lack resources to manage their receivables, no proper debt collection and no credit officers were employed careless working capital management practices is a major cause of SME failure (Berryman, 1983).

(Peel M. J. and Wilson N, 1996)Originate in a research carried out in the U.K that good credit management practices have correlation with firm profitability. Firm that has low liquidity of working capital, facing high risk results to high profitability. The issue here is in managing working capital, firm must take into consideration all the items in both accounts and try to balance the risk and return. The need of proper working capital management is important for good solvency and liquidity of the firm. However, very few researchers have looked into the WCM practices of micro, small and medium in Ethiopia, specifically in Guji Zone.

In this study, the researcher want to examine the impact of working capital management on corporate micro, small and medium in Ethiopia, specifically in Guji Zone. The previous studies did not examine the impacts of working capital on profitability in terms of micro small and medium scale enterprises. The previous researcher like (Shahid. A, 2011), used few variables of working capital management so it may not represent the whole impact of working capital management on the profitability.

The previous studyby Gull, Rehman& Khan, (2013) has been conducted on large company; whereas some of they were conducted on small and medium enterprise. However the previous research work has not gave their emphasis towards micro, small and medium scale enterprises.

Therefore, this study aimed at providing further empirical evidence on the Impact of working capital management on profitability of small and medium scale enterprises (SMSE) in Guji Zone. The main objective of the study is to critically assess the impact of working capital management on profitability of micro, small and medium scale enterprises (SMSE) in Guji Zone. The study aimed at sustaining the following specific objectives: To examine the impact of cash conversion cycle on the profitability of micro, small and medium scale enterprises (SMSE) in Guji Zone, To evaluate the relationship between inventories holding period and profitability of micro, small and medium scale enterprises (SMSE) in Guji Zone, To examine the efficiency of the accounts receivable period employing on micro, small and medium scale enterprises to obtain profitability in Guji Zone, To examine the impact of accounts payable period on the profitability of micro, small and medium scale enterprises (SMSE) in Guji Zone and To examine the approaches of working capital management and it's affected on the profitability of micro, small and medium scale enterprises (SMSE) in Guji Zone.

II. Research design and methodology

The target population of this study is the Guji zone micro, small and medium scale enterprise's management, members and the office of cities food security's and job creation. As the data the researcher obtained from Guji zones small and medium scale enterprise, there are about 155 constructed SME'S in Six selected Woreda of Guji zone. In this study both primary and secondary sources of data was used. The primary sources of data comprise of the information collected from students through closed ended and few open ended questionnaire. The secondary data sources were from the existing documents publication, books and other relevant materials. The questionnaires were randomly distributed by drawing names out of all students from each class. Data for the study was collected from the students through self design and self administer questionnaire covering the various variables identified in the literature.

Micro, small and medium scale enterprise's management, members and the office of cities

food security's and job creation were selected purposively, because the use of purposive sampling enabled the researcher to generate meaningful insights that help to gain a deeper understanding of the research phenomena by selecting the most informative participants that is satisfactory to its specific needs (Hailemariam S, 2014). In addition to this Guji zone was selected because it is nearest to the researcher to collect the data within the prescribed period of time. The data obtained from Guji zone office of cities food security's and job creation human resource department office indicates Guji zone has 14 Woredas, 3 city administration towns. Those woreda and town administrations of Guji zone are :- Ana Sora Woreda, Bore Woreda, Adola Rede Woreda, Adola Woyu Town, Shakiso Woreda, Odo Shakiso Town, Goro Dola Woreda, Negelle Town, Liben Woreda, Girja Woreda, Saba Boru Woreda, Aga Wayu Woreda, Dama Woreda, Uraga Woreda, Gumi Eldelo woreda, Haro Wolabu Woreda and Wadera Woreda.

The researcher select those Woredas and town administrations which have the well organized micro, small and medium enterprises such as Bore Woreda, Adola Rede Woreda, Adola Woyu Town, Shakiso Woreda, Odo Shakiso Town and Negelle Town. So the researcher considers those woreda and towns which have micro, small and medium enterprise in it as a total population which have 155 total enterprises. Among total enterprises, 72 are micro, 53 are small enterprises and 30 are medium enterprises. In general, the researcher considered 155 micro, small and medium scale enterprises as a total population.

No	Woreda	Types of enterprise	Number of constructed enterprise (A)	Number of constructed members (B)	Total number of members (C=A*B)	Sampling technique	sample
1	Bore	Micro	12	3	36		
		Small	9	5	45		
		Medium	7	5	35		
		Sub total	**28**	**13**	**116**		
2	Adola Rede	Micro	11	3	33		
		Small	7	5	35		
		Medium	9	8	72		
		Sub total	**27**	**16**	**140**		
3	Adola Woyu town	Micro	14	3	42		
		Small	5	5	25		
		Medium	5	5	25		
		Sub total	**24**	**13**	**92**		
4	Shakiso town	Micro	13	3	39	Taro Yamane simplified formula for Proportions(Yamane, 1967)and Random probability sampling $n = \frac{N}{1+N(e)^2}$	$n = \frac{672}{1+672\,(0.05\,)^2} = 224$
		Small	7	5	35		
		Medium	5	6	30		
		Sub total	**25**	**14**	**104**		
5	Odo Shakiso woreda	Micro	15	3	45		
		Small	6	5	30		
		Medium	5	6	30		
		Sub total	**26**	**14**	**105**		
6	Negelle town	Micro	14	3	42		
		Small	5	5	25		
		Medium	6	8	48		
		Sub total	**25**	**15**	**115**		
Total			155	85	672		

The study investigates the impact of working capital management on profitability of small and medium scale enterprises of Guji zone.

Quantitative data was collected and analyzed using descriptive statistics. The raw data collected and then edited to detect errors and omissions to correct them where possible. Data collected was also coded into logical, descriptive, and meaningful categories to provide a framework for analysis. Descriptive statistics such as percentages to facilitate the change of raw data into a form that enabled understanding and interpretation in relation to the research questions were used. Also inferential statistics such as linear regressions was used to analyze quantitative data. Linear regression model was developed and tested to explain the relationship between SMEs profitability and working capital management practices. Linear regression was preferred since it's a linear model which reveals statistical relationships between variables and used to predict or estimate the behaviour of variables.

III. Data analysis and results

The main attempt of this study is to investigate the impact of working capital management on profitability of SMSE a case of Guji Zone. Therefore, this chapter presents the analysis and discussions for research findings obtained from the questionnaires. It reports the investigation results obtained from the Guji zone micro, small and medium scale enterprise's management, members and the office of cities food security's and job creation covered in the questionnaire. The discussion begins with the questionnaires' response rate followed by the descriptive statistics of the respondents related questions; like the Gender, Position, Age, Educational status , Work experience at the enterprises , Name of SMSE, Year of business start and Type of business with in the SMSE. The information obtained from the respondents is summarized using frequency distribution by using SPSS 20.0 versions.

Table 4.1 Gender of Respondents

	Gender	Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Male	176	78.6	78.6	78.6
	Female	48	21.4	21.4	100.0
	Total	224	100.0	100.0	

Table 4.1 Gender of respondents, Source: own survey data, 2019 SPSS output.

Regarding the Gender of the respondent as seen from table 4.1, 78.6 % are male and 21.4% are female. This shows that the numbers of males within the SMSE are greater than the number of females.

Table 4.2 Ages of Respondents

	Age	Frequency	Percent	Valid Percent	Cumulative Percent
Valid	21-25	74	33.0	33.0	33.0
	26-30	80	35.7	35.7	68.7
	31-35	31	13.8	13.8	82.5
	36-40	16	7.1	7.1	89.6
	41 and above	23	10.4	10.4	100.0
	Total	224	100.0	100.0	

Table 4.2 Ages of Respondents, Source: own survey data, 2019 SPSS output.

In the case of Age of respondents in the above table 4.3, 74(33.0%) were within the age of 21-25, while 80(35.7%) were obtained between the age of 26-30, whereas 31(13.8%) were in-between31-35 while 16(7.1%) of respondents age are exist between 36-40 and 23(10.4%) of the respondents age are obtained above 40 years. Researcher can conclude from the above table 4.3 that majority of the respondents are having age between 21-40 years that shows that almost all of the SMSE members are productive enough.

Table 4.3 Types of business

	Types of Business	Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Trading	44	19.6	19.6	19.6
	Service	69	30.8	30.8	50.4
	Manufacturing	45	20.1	20.1	70.5
	Agriculture	18	8.0	8.0	78.5
	Construction	48	21.5	21.5	100.0
	Total	224	100.0	100.0	

Table 4.3 Types of business, Source: own survey data, 2019 SPSS output.

In the table 4.3, the respondents are required to respond the types of the business they engaged in. Accordingly 44(19.6%) of the respondents responded that they engaged in trading types of business whereas 69(30.8%) of the respondents replied that they involved in service types of business enterprise while 45(20.1%) of the responded that they engaged in manufacturing type of business enterprise, on the other hand, 18(8%) of the respondents responded that they occupied in agriculture type of business enterprise and the remaining 48(21.5%) of the respondents replied that they engaged in construction type of business enterprise. This implies that most of the respondents engaged in service type of business enterprise which is not advised by Ethiopian gross transformational development plan and policy.

The regression result explores the necessary indicators of the profitability by using the variables identified in the model. As indicated in the model summery (table 4.3) the appropriate indicators of the variable used to identify the profitability were improved. That is, the value of R square used to identify how much of the variance in the dependent variable (profitability) identify by the model. The larger the value of R square, the better the model is (Field, 2009).

The overall contribution of the cash conversion cycle (CCC), inventory holding period (IHP), account receivable period(ARP), account payable period (APP) and approaches of working capital (AWC) accounted for 41.3 % ($R^2 = 0.413$) of the variation in the profitability, the rest 88.7% are other variables not included in this study.

Table 4.4 Regression result for Profitability

R = 0.643[a] R^2 = 0.410 Adj. R^2= 0.386 Std. Error of the Estimate = 0.591							
F = 17.491 P = .000[b]							
Model	Unstandardized Coefficients		Standardized Coefficients		Sig.	Co linearity Statistics	
	B	Std. Error	Beta			Tolerance	VIF
(Constant)	4.893	.618		7.912	.000		
Cash conversion cycle as affecting profitability of SMEs	-.038	.056	-.046	-.669	.504	.826	1.211
Inventory holding period as affecting profitability of SMEs	.016	.076	.015	.206	.837	.706	1.417
Accounts receivable period as affecting profitability of SMEs	.328	.072	.472	4.537	.000	.361	2.768
Accounts payable period as affecting profitability of SMEs	.156	.071	.192	2.194	.029	.510	1.961
Approaches of working capital on profitability of SMEs	-.170	.061	-.317	-2.784	.006	.302	3.313

Dependent Variable: profitability Source: own survey data, 2019 SPSS output

Moreover, the model summary also shows the significance of the model by the value of F-statistics(P =.000) and F = 17.491. This meant that the probability of these results occurring by chance was less than 0.0005. Therefore, a significant relationship was present between the cash conversion cycle (CCC), inventory holding period (IHP), account receivable period(ARP), account payable period (APP) and approaches of working capital (AWC) to improve the profitability in the SMSE.

The beta (â) sign also shows the +ve or –ve effect of the independent variables coefficient over the dependent variable. And as shown in table 4.13 above, beta sign of all the independent variables except cash conversion cycle and approaches of working capital control shows the positive effect of the predicting dependent variable. That means, any increase in the independent variables lead to increase in the dependent variable profitability. This finding is consistent with Falope and Ajilore (2009).

Therefore, based on the coefficients of the dependent variable (â sign) five hypotheses proposed by the researcher such as inventory holding period (IHP), account receivable period(ARP),and Account payable period (APP) are acceptable because of all the four hypotheses stated the positively relationship with the dependent variable are meet. However cash conversion cycle (CCC) and Approaches of working capital (AWC) hypothesis developed by the researcher stated the negative relationship with dependent variable. But based on the statistical significances of the independent variable over the dependent variable at 5% level of significance, only three independent variables account receivable period(ARP), Account payable period (APP) and Approaches of working capital (AWC) are significantly improve the profitability at (P<0.05) level of confidence.

Thus, this implies the account receivable period (ARP), Account payable period (APP) and Approaches of working capital (AWC) are the most important variables that have significant impact on profitability in SMSE. Besides this, even if their relationships are positive the remaining two independent variables cash conversion cycle (CCC) and inventory holding period (IHP) have not significant contribution for the predicted dependent variable (profitability) because they have a sig. value of greater than 5%. The variable with the level of significance (sig) value less than 5% could make a significance unique contribution to the predicted value of the dependent variable, beyond this level of sig. the variable are not making a significance contribution for the prediction of the dependent variable (Pallant, 2007; Somekh and Lewinn, 2005).

The *t*-test results for the individual regression coefficients (shown in the first extract) for the four independent variables such as inventory holding period (IHP), account receivable period(ARP), Account payable period (APP) were .206, 4.537, and 2.194 are positive respectively .But the *t*-test results for the cash conversion cycle (CCC) and Approaches of working capital (AWC) were -.669 and -2.784. The following hypotheses test were conducted based on the regression results of the profitability obtained from the regression output.

H1. There is a significant effect between the cash conversion cycle and the profitability of micro, small and medium scale enterprises (SMSE) in East Guji Zone

The first hypothesis of this research posted that "There is a significant effect between the cash conversion cycle and the profitability of micro, small and medium scale enterprises (SMSE) in East Guji Zone". As shown in table 4.13 above the coefficient of RM (â = -0.046, t= -0.669 and p=.504) were negatively related with the profitability. Also, because of its statistical result (P>0.05) the regression output result haven't statistically significant relationship between the cash conversion cycle and the profitability of micro, small and medium scale enterprises (SMSE) reveals not to support the first hypothesis. This finding is consistent with Falope and Ajilore (2009).

H2. There is a significant relationship between inventories holding period and profitability of micro, small and medium scale enterprises (SMSE) in East Guji Zone.

The existence inventory holding period also supposed to be the one variable that has the significant impact on profitability of SMSE and is the second hypothesis of this research. Showing that to some extent correlated relationship between the profitability and the inventory holding period, the positive beta sign and positive t test a statistically significant result of inventory holding period related with the profitability (â = 0.015, t =0.206,) however, P>0.05 does not support the proposed hypothesis acceptable. The inventory holding period in terms of The length of inventory holding period has a material impact on the profitability of SMSEs, Firms should set Economic Order Quantity (EOQ) to ensure adequate stocks are maintained, Firms should ensure funds are set aside for reorder and a longer inventory holding period has a negative effect on profitability of SMSEs to improve the profitability within SMSE.

This is also supported by Gull, Rehman & Khan (2013) research that they realize that there is a moderate relationship between inventories holding period and profitability of micro, small and medium scale enterprises (SMSE) in East Guji Zone.

H3. There is a significant effect between the accounts receivable period and profitability in small and medium scale enterprises (SMSE) in East Guji Zone

The third hypothesis of this research is there is, a significant effect between the accounts receivable period and profitability in small and medium scale enterprises (SMSE) in East Guji Zone. As shown in table 4.12 above the regression result highly supports this hypothesis at (P<0.05) level of significant and with the positive signs of beta and t statistics coefficient of (â = 0.472, t= 4.537 and p= .000) were positively related with the profitability.

Therefore, the presence of accounts receivable period in the SMSE results with positive relationship with profitabilityand has significant impact on profitability. The length of accounts receivable period has a material impact on the profitability of SMEs, shorter accounts receivable period are better for the firm indicating that customers came to buy on credit many times thus they paid within a short period. Firms should have a proper debt management policy and ensure that bad debts are provided for un-collectable receivable and debtors' collection period should be reduced by granting short crediting period. This result is contributed to the overall profitability and its positive relationship with profitability leads to great support to proposed hypothesis (H3).

For instance, it is consistent with the previous studies conducted by (Gull, Rehman & Khan (2013) researcher find that there was the significant relationship between account receivable period and profitability of SMSE. The findings of Sharma &Kumar (2011); Nyabwanga et al (2012) showed a positive relationship which conforms to the findings of this study

The rationale of the deviating in number of days Accounts receivable and profitability is caused by a longer span taken by the firm to receive payments from customers. Lazaridis et al (2006) states in his findings that firms decrease the accounts receivables so that the cash conversation gap can be reduced, however ,Sharma and Kumar (2011) who carried out a study in Indian firms and found a positive relationship and states that firms can improve the profitability by lengthening the credit period for their customers.

H4: There is a significant relationship between the accounts payable period and the profitability of micro, small and medium scale enterprises (SMSE) in East Guji Zone.

The fourth hypothesis of this research posted that the profitability is directly related with the extent of the account payable period. Showing that above the regression result highly supports this hypothesis at (P<0.05) level of significant and with the positive signs of beta and t statistics coefficient of (â = 0.192, t= 2.194 and p= .029) were positively related with the profitability.

Therefore, the presence of accounts payable period in the SMSE results with positive

relationship with profitability and has significant impact on profitability by The length of accounts payable period has a material impact on the profitability of SMEs, Credits should be paid as late as possible in order to maximize returns, Firms should negotiate for a longer credit period with the suppliers and proper credit management policies can help a firm to enjoy benefits of credit discounts. This result contributes to the overall profitability and shows its positive relationship with profitability, leads to highly support the proposed hypothesis (H4).

This is also supported by Nobanee and AlHajjar (2009b) research found that extending the payables deferral period could increase profitability.

H5. There is a significant relationship between the approaches of working capital management and the profitability of micro, small and medium scale enterprises (SMSE) in East Guji Zone.

The fifth hypothesis of this research which is assumed to be the impact of working capital management on profitability of SMSE in East Guji zone, as shown in table 4.13 above the coefficient of RM (â = -0.317, t= -2.784) were negatively related with the improvement of profitability of SMSE. However, its statistical result (P<0.05) the regression output result have statistically moderate relationship between the approaches of working capital management and the improvement of profitability of SMSE reveals that it moderately support the fifth hypothesis.

IV. Conclusions

The existences of profitability in the SMSE interconnected return on assets and growth in sales. By taking this aspect into consideration, this study was identified impact of working capital management that improves the profitability of SMSE and then analyzed the enterprises ways in which the SMSE should carry out to profitability. And also by testing of the proposed hypotheses showed relations of these independent variables with the profitability the following conclusions were drawn.

- The profitability of SMSE was improved, when there were account receivable period (ARP), account payable period (APP) and approaches of working capital (AWC) impact of working capital management exist. The regression analysis (shown on table 4.13) shows very strong contributions of these variables for the improvement of profitability. Therefore, the overall effect of the account receivable period (ARP), account payable period (APP) and approaches of working capital (AWC) of working capital management in the SMSE are very important for the improvement of profitability in the enterprises without neglecting the impact of inventory holding period of working capital management because it has a positive sign of beta and contribute for the 41.3% of the variances for the improvement of profitability. Thus, neglecting this variable may cause decrease in the value of improvement profitability variance that was obtained from collective contribution of the four independent variables. But since cash conversion cycle of working capital impact impacted the profitability with negative sing of beta (-.046) and negative sign of t value (-.669), it should be neglected because it will not leads to decrease the value of profitability improvement within the SMSE.

- In addition, the correlation analysis shows all the independent variables have the positive effects on the profitability and the regression result also shows all the independent variables, except of cash conversion cycle that have a positive sign of coefficients with profitably in the SMSE. However, the impact of inventory holding period of working capital management was statistically not significant enough at 5% significance. Level to contribute for the improvement of profitability in the SMSE.

- The impact of cash conversion cycle of working capital management was insignificant and have negative effects sign of beta values therefore this conclusion requires future research, should consider for

obtaining the impact of these variables on the improvement of profitability in the SMSE in case of East Guji zone

- Furthermore, the correlation analysis showed the contributions of the independent variables to the improvement of profitability. For instance, all variables were weekly correlated with the improvement of profitability to the SMSE. This conclusion requires future research should consider the impact of these variables on improvement of profitability.

V. Recommendations

After observing the research findings and achieved results with regard to the main objective of this study to identify the major impact of working capital management on profitability of SMSE and also to prove the hypotheses, the researcher provides the following recommendations to the SMSE of Guji zone.

- The finding of this research proved that the inventory holding period (IHP), account receivable period (ARP), Account payable period (APP) and Approaches of working capital (AWC) of the working capital management were statistically significant and positively related with the improvement of profitability in the SMSE of Guji zone.
- The SMSE of Guji zone should support more for the impact of working capital management by minimizing length of inventory holding period, Firms should maintain and set Economic Order Quantity (EOQ) to ensure adequate stocks, Firms should ensure and set aside for reorder funds, SMSE should minimize longer inventory holding period because it has negative effect on profitability of SMSEs, enterprises should emphasis and work on Shorter accounts receivable period because it is better to the firm indicating that customers came to buy on credit many times thus they paid within a short period.
- Firms should have a proper debt management policy and ensure that bad debts are provided for uncollectable receivable. The SMSE should reduce the debtor collection period by granting short crediting period, the enterprises should

reduce the length of account payable period because the length of accounts payable period has a material impact on the profitability of SMEs, in order to maximize returns the enterprises should pay Creditors as late as possible. The SMSE should have Proper credit management policies since it help a firm to enjoy benefits of credit discounts

- Finally the SMSE of Guji zone should also use either matching, aggressive or moderate approaches in managing working capital because it has the impact on profitability of firms and the SMSE of Guji zone should relay on short term financing since it increases the profitability of Guji zone.

References

Afza, T. and Nazir, M. (2009). "*Impact of Aggressive Working Capital Management Policy on Firm's Profitability*". The Iup Journal of Applied Finance , 20-30.

Aziz, (2015). Working Capital Management and Corporate Profitability

Akinsulire. (2005). Financial Management. Lagos: El-Toda Ventures.

Bellouma, M. (2018). "*The Impact of Working Capital Management on Profitability*": The Case of Small And Medium-Sized Export Companies In Tunisia.Management , 71–88.

Ben K, A.-M. .. (2012). "*Working Capital Management Practices of Small Firms In The Ashanti Region of Ghana*".International Journal of Academic Research In Business And Social Sciences , 567-579.

Berryman, J. (1983). "*Small Business Failure And Bankruptcy, A Survey of The Literature*".European Small Business Journal , 47-59.

Chion J.R. L Cheng And H.W Wu . (2006). "*The Determinants of Working Capital Management*".Journal of American Academy of Business .

Cunat, Vicente. (2007). "*Trade Credit Suppliers As Debt Collectors And Insurance*

Providers".Review of Financial Studies , 491-527.

David Osei Tuffour,Anthony Boakye Appiagyei,Juliet Achiaa Gyasi,Elizabeth Anokye And Rosemary Asante. (2012). *"The Effect of Working Capital Management(A Case Study of Small And Medium Enterprises In Kumasi). Kumasi":* Unpublished.

Dong, H.P. & Su, J. (2010). *"The Relationship Between Working Capital Management And Profitability": A Vietnam Case.*International Research Journal of Finance And Economics, , 62-70.

Edward Marfo-Yiadom And Samuel Kwaku Agyei . (2006). *"Working Capital Management Practices of Small Scale Enterprises In The Central Region of Ghana"*.Asian Journal of Business And Management Sciences Issn: 2047-2528 Vol. 1 No. 4 , 29-47.

Eljelly A. M. A. (2004). *"Liquidity Profitability Trade-off: An Empirical Investigation In An Emerging Market"*.Int. J. Commerce Manage , 48-61.

Falope, O.I. And Ajilore, O.T. . (2009). *"Working Capital Management And Corporate Profitability: Evidence From Panel Data Analysis of Selected Quoted Companies In Nigeria"*.Research Journal of Business Management, 73-84.

Fazzari S. M. and Petersen. B. (1993). *"Working Capital and Fixed investment new evidence on financing constraints"*.Rand journal of economics , 328-342.

Filbeck G and T Krueger . (2005). *"Industry Related Differences in Working Capital Management"*.Mid-American Journal of Business , 11-18.

Field, (2009). Working Capital Management and Fixed investment new evidence.

Gitman, L. A. (2006). Principles of Managerial finance, 11th Edition. Addison wesley publishers.

Hailemariam. (2014). *"Determinants of Internal Audit Effectivness In The Public Sector"* Case Study In Selected Ethiopian Public Sector Offices. 1-35.

Jay S Matadeen&Sailesh Aukhorjee. (2014). *"Working Capital Management of SMSE In Mauritius"*.The Business & Management Review, 228-245.

Kimuyu. (1999). The African Factor In Enterprise Structure And Performance In Kenya.

Kothari CR. (2009). Research Methodology-Methods And Techniques.New Delhi: Wiley Easternpublisher.

Kothari, CR. (2004). Research Methodology Methods And Techneques . New Delhi: Age International.

Kushnir. (2010). *"Micro, Small, And Medium Enterprises Around The World: How Many Are There, And What Affects The Count'?* (MSME Country Indicators. Washington, Dc: World Bank/ International Finance Corporation.

Liedlholm, C. (2002). Small Firm Dynamics: Evidence From Africa And Latin America. 27-242.

Lynch, F. F. (2005). Financial Management And Control.

Mayee And Boodman .D.M. (1967). *"Production Planning And Inventory Control"* 2nd Edition . New York: MG Grawhill New York.

Mccartney, Kathleen, And Margaret R. Burchinal. (2006). *"Best Practices In Quantitative Methods For Developmentalists."*Monographs of The Society For Research In Child Development , I-145.

Niskanen. M. (2006). The determinants of corporate trade credit policies in bank dominated financial enviroment the case of finnish small firms. European financial management .

Olowe. (2009). Financial Management: Concepts, Financial System & Business. Ibadan: University Of Ibadan Printing.

Kaduna Metropolis. International Journal of Advanced Studies In Economics And Public Sector Management Volume 3 , 160-167.

Pandey. (2007). Financial Management. (N. Edition, Ed.) New Delhi: Vikas Publishers.

Pallant. (2005). Working Capital and Financial Management Practice.

Peel, M. J. And Wilson, N. (1996). *"Working Capital And Financial Management Practices In The Small Firm Sector".*Intl. Small Bus. J, 52-68.

Rao. (1989). Fundamentals of Financial Management". Mac Millan Publishers.

Reeg, C. (2015). *"Micro And Small Enterprises As Drivers For Job Creation And Decent Work".* Deutsches: Deutsches Institut Für Entwicklungspolitik.

Robson. C. (2002). Real world research, 2nd Edition oxford black well.

Ruback. (2003). "Stop At Inventory Model of Cash Management".

Seth Kwaku Amoah And Alfred Kwabena Amoah. (2018). *"The Role of Small And Medium Enterprises (Smes) To Employment In Ghana".*International Journal of Business And Economics Research , 151-157.

Shahid, A. (2011). *"Working Capital Management And The Profitability of The Manufacturing Sector: A Case Study of Pakistan's Textile Industry".*The Lahore Journal of Economics , 141-178.

Silver& Peterson . (1985). Decision Systems For Inventory Management And Production Planning" 2nd Edition. John Wiley & Sons, New York .

Smirat, D. B. (2016). *"Cash Management Practices And Financial Performance of Small And Medium Enterprises (Smes) In Jordan"* .Research Journal of Finance And Accounting , 98-106.

Staley And Morse. (1985). Modern Small Industries For Developing Countries International Student Edition,Mc-gGaw-Hill. Mc-Graw-Hill.

Vanhorne, J.C. And Wachowiez, J.M. (2004). Fundamentals of Financial Management. New York: Prentice Hall.

Wambugu, P. M. (2013). Effects of Working Capital Management Practices on Profitability of Small And Medium Enterprises In Nairobi, Kenya.

White. (1992). *"Debt, Liquidity Constraints And Corporate Investment"* Evidence From Panel Data. Journal of Finance .

Wu Q. S. (2001). The determinant of working capital management policy and its impact on performance national science council project.

Y. Li, And M. Rama. (2015). *"Firm Dynamics, Productivity Growth,And Job Creation In Developing Countries: The Role of Micro And Small Enterprises".*The World Bank Research Observer, 3-38.

Yamane, T. (1967). Statistics: An Introductory Analysis, 2nd Ed. New York: Harper And Row.