OUTCOME OF RECEIVABLES MANAGEMENT ON WORKING CAPITAL & PROFITABILITY: CASE STUDY OF SELECTED CEMENT COMPANIES

HEMANT BHANAWAT*; PRAHLAD R. SOMANI**

* RESEARCH SCHOLAR,
FACULTY OF COMMERCE,
PACIFIC UNIVERSITY, UDAIPUR.

** PROFESSOR (Retd.)
BHUPAL NOBLES’ P.G. COLLEGE,
UDAIPUR

ABSTRACT

In this paper an attempt is made to study the impact of Receivables Management on Working Capital and Profitability. To accomplish this research objective data have been collected from the annual reports of select cement companies for the period from 2004 to 2013. The ratios which highlight the efficiency of receivables management viz., Receivables to Current Assets Ratio, Receivables to Total Assets Ratio, Receivables to Sales Ratio, Receivables Turnover Ratio, Average Collection Period, Working Capital Ratio and Profitability Ratio, have been computed statistical tools like ANOVA was also used to know the impact on working capital and profitability. Working capital and profitability were considered as dependent variables. The investigation reveals that the receivable management across cement industry is efficient and showing significant impact on working capital and profitability.

KEYWORDS: ANOVA, Profitability, Receivables Management, Working Capital.

REFERENCES


