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RELATIONSHIP BETWEEN WORKING CAPITAL MANAGEMENT AND FINANCIAL PERFORMANCE OF PUBLIC LISTED COMPANIES IN MYANMAR

MARLAR NYUNT

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<table>
<tr><td>Supervised By</td><td>Submitted By</td></tr>
<tr><td>DawKhinKhin Saw</td><td>Ma MarlarNyunt</td></tr>
<tr><td>Lecturer</td><td>Roll No. 29</td></tr>
<tr><td>Department of Commerce</td><td>MBF 6th batch</td></tr>
<tr><td>Yangon University Of Economics</td><td></td></tr>
</table>

December, 2019

ABSTRACT

This studies focus on the relationship between working capital management and financial performance of public listed companies in Myanmar.The aims of the study as to study the relationship between the working capital management and profitability of public listed company in Yangon Stock Exchange, and to investigate the variables that most influence profitability.This study employed both descriptive and inferential analysisamong four numbers public listed companies (FMI, MTSH, MCB& FPB)at Yangon Stock Exchange, in Myanmar. The study is the period starting from budget year 2015-2016 to 2018-2019. Initially the study determined the performance of the financial performance variables under consideration that were current ratio, current asset and total asset ratio, total asset ratio and debt ratio.Their mean, variance, minimum and most values were determined. Evaluating whether working capital management has a relationship on financial performance of public listed companies in Myanmar with a Pearson coefficient shows a strong, significant, positive dependence between working capital management and financial management of companies in Myanmar.Each management should control Current ratio, debt ratio, and total asset ratio for organization. That will provide strongly return for organization and improvement. Every organization will get good financial performance by the working capital management well.

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LISTS OF ABBREVIATIONS

FMI	First Myanmar Investment Public Co., Ltd.
MTSH	Myanmar Thilawa SEZ Holdings Public Co., Ltd.
MCB	Myanmar Citizens Bank Ltd.
FPB	First Private Bank Ltd.
TMH	TMH Telecom Public Co., Ltd.
CBM	The Central Bank of Myanmar
WCM	Working Capital Management
YSX	Yangon Stock Exchange
EBIT	Earnings before Interest and Tax
MOFR	The Ministry of Finance and Revenue
DIR	Daiwa Institute of Research Ltd.
JPX	Japan Exchange Group
SECM	The Securities and Exchange Commission of Myanmar
MIC	The Myanmar Investment Committee
DICA	The Directorate of Investment and Company Administration

CHAPTER I

INTRODUCTION

In a company or organization, which has various departments, each department is important because they make for the organization to undertake the numerous and complex activities simultaneously and to get the achievement for common objectives and goals.

One of all, Finance department is one of the main parts of organization. Finance managers have to make decisions on long-term financial practice, dividend policy, capital structure, capital budgeting and short-term financial practice or working capital management.Efficient assets is important for organizations area unit to make sure that yielding high come back on investment and continued swish every day operations.

Working capital is known as the lifeblood and giving force for any economic unit and its management's primary task is considered among the most important part in firm's financial management decision for corporate management. Working capital management may be a vital element of finance as a result of it directly affects the liquidity and profitableness of the firm (Rehman& Nasr 2007).Working capital in business is taken into account as lifeblood in organic structure (Reddy &Patkar 2004).

Working Capital Management is applying Investment and funding selections to Current Assets.Working capital management is the ability to control effectively and efficiently for planning and controlling within the current assets and current liabilities. This is providing the firm with maximum return on its assets and minimizes payments for its liabilities. Working capital management is important in balancing between profitability and liquidity.

The performance management impacts liquidity together with cost-effectiveness by the company and economic strategy is concerned. Performance management is influenced by the issues brought of current assets and liabilities management. These Current assets can describe as the assets which will be turned into physical cash in a year. Cash and cash equivalent, inventory, account receivables are show as current asset. Current liabilities on the other hand which liabilities that will be paid within a year. Account payables, bank overdraft are show as current liabilities.Performance management is a fundamental part of the total strategy of the corporation to optimize investors' value. In this research, select four number of public

listed company on the Yangon Stock Exchange ranging over four years from 2015-2016 to 2018-2019 budget years.

Research four numbers of public listed companies in Yangon Stock Exchange are as follow;

1. First Myanmar Investment Public Co., Ltd. (FMI), YSX Code-00001, (listed date is 25th March 2016)

2. Myanmar Thilawa SEZ Holdings Public Co., Ltd. (MTSX), YSX Code-00002, (listed date is 20th May 2016)

3. Myanmar Citizen Bank Ltd. (MCB), YSX Code-00003, (listed date is 26th August 2016)

4. First Private Bank Ltd. (FPB), YSX Code-00004, (listed date is 20th January 2017)

Some of the influences of variables on the management of operational capital include; current ratio, current asset to total asset ratio, total asset ratio, and debt ratio will be used for analysis.

1.1 Rationale of the Study

In Myanmar, developing country, increase by increase number of public company. There is very little number in public listed company, among the public companies. Public listed company's standing is very interested in their life and their achievement and how they manage for financial performance. One of All, FMI is formed in 1992; FMI is onward and ongoing successful company. FMI listed to YSX in 2016. Another one FPB is formed in 1991; FPB is one of the successful banks in banking sector. FPB listed to YSX in 2017. MCB is formed in 1991 and listed to YSX in 2016. MCB is successful bank in banking sector. MTSH is formed in 2013 and listed to YSX in 2016.

The study aims to study relationship between the working management and profitability effect on organization. The findings will be show that there is significant relationship between Working capital management and profitability on public listed company of four out of five in Yangon Stock Exchange. Out of one company is TMH Telecom Public Co., Ltd. (TMH) , YSX Code-00005. TMH listed on 26th January 2018 only.

1.2   Objectives of the Study

The aims of the study are as follow:

(i)   To study the relationship between the working capital management and financial performance of public listed company in Yangon Stock Exchange

(ii)   To investigate the variables that most influence profitability

1.3   Scope and Limitations of the Study

This study focused on assessing the effect of working capital management on the profitability of the four numbers of public listed companies in Yangon Stock Exchange. The study investigated the extent to publiclisted companies manage their working capital for four years, that's from 2015-2016 to 2018-2019 budget year. To achieve these objectives the study used secondary data. Secondary data was extracted from statement of financial position of the four public listed companies at YSX, in Myanmar.

1.4   Method of Study

This study only focuses the working capital management and profitability in four numbers of public listed companies. In this study, descriptive studies and linear regressionmethodswill be used to obtain information concerning. The studies of data are generated from secondary source. Secondary data are obtained from the Annual Report of FMI, MTSH, MCB and FPB, previous research papers and text books and other online sources.

1.5   Organization of the Study

The paper is structured with five chapters as follows;

In chapter I, introduction of research that support the thesis including the rationale, objectives of study, method of study, scope, limitation and organization of study.In chapter II, review the associated literature which includes theory with relationship between working capital management and firm's profitability.In chapter III, Background of studied the public listed companies at YSX in Myanmar.In chapter IV, indicates the objectives of the study and the research hypotheses.Final chapter V is describing what is finding, suggesting on data and further study result regardless towards successful company.

CHAPTER II

THEORETICAL BACKGROUNDofWORKING CAPITALMANAGEMENT AND FINANCIAL PERFORMANCE

In this chapter, we shall examine the studies that had been conducted by other researchersalong this topic. The chapter will address; various theories of Working capital management, empirical literature, determinants of financial performance, conceptual framework and Summary of the literature. A number of researchers have analyzed the management of working capital and financial ratios as a part; in any event, few have analyzed the specifics of working capital guidelines. An examination of management of working capital guidelines in 32 industries that are non-financial in the United States of America was done by Filbeck and Krueger (2005) and they emphasized the significance of an effective management of working capital. A major distinction was exhibited in the outcomes of the study between industries that have for a long time been practicing working capital.

2.1 Literature Review

This chapter will discuss relevant literature on management of working capital and how it relates to financial performance of public listed companies at YSX in Myanmar. This hence will build an understanding on the theme of the study.

There are two concepts of working capital. Gross working capitals and net working capital. Gross working capital is outlined as a firm's investment in current assets like cash, bank deposits, short-run securities, debtor and inventories. And the "net working capital" could be a lot of descriptive term within the context of working capital management that refers to the subtraction of current liabilities from the current assets, as an example accounts collectible and alternative shortliabilities. (Karaduman, Akbas, Caliskan, & Durer, 2011).

Gross working capital refers to a firm's investment in current assets. Current assets are the assets which can be converted into cash within an accounting year and includes cash, short-term securities, debtors, bill receivable and stock. (Pandey, 2010) and conjointly Van Horne &Wachowicz, (2004) declared that, gross working capital is firm's investment in current assets like cash, marketable securities, debtors and inventories.Net working capital refers to the distinction between current assets and current liabilities. Current liabilities are those claims of outsiders which are expected

to mature of payment within an accounting year and include creditors, bills payable and outstanding expenses. Pandey, (2010).

Furthermore, net working capital is the surplus of current assets over the short-term liabilities and represents the liquidity margin available to meet the cash demands in order to maintain the daily operations and benefit from the profitable investment opportunities (Padachi, 2006).Net Working capital can be best described as the difference between current assets and current liabilities. This is one measure of the extent to which the firm is protected from liquidity problem. Van Horne &Wachowicz, (2004), explained net working capital will be calculated within the following way;

Net working capital = current assets – current liabilities

Further they explained that, working capital can be either plus (+) or minus (-) value. When the current Assets exceed the current liabilities (Current Assets > Current Liabilities), it will indicate favorable the working capital of a firm. On the other hand when it becomes minus value (Current Assets < Current Liabilities), it is unfavorable to working capital.

Westen and Eugene (1979) sys that the extra measures of liquidity have a clear understanding those anticipations of life of some components of working capital is dependent on how much production, distribution and collection are either unsynchronized or non-instantaneous.

The survival of business and profitability of entity is based on resources, whether human or material. There is need for differentiating capabilities from resources when company stock resources are being taken. Resources are a vital analyzing unit since they are production process unit. Examples of resource that a company possess include capitalequipment, employee skills, brand names, patents, finance etc. when firm operate independently, its productive resource are few. If resources will be productive there, that to be team cooperation and coordination, which is shown by the teams' capability to act on a variety of tasks. Thus, as put across by Grant (2001), a company's capability is defined by available resources. This model is inclusive of individual manager's cognitive ability to make sure that short-term working capital is managed effectively (Alvarez &Busenitz, 2001). Therefore, any company manager contain resources that are individualspecific that aim at

facilitating and ensuring new opportunities are recognized, as a way of making sure that working capital is effectively managed and thus the company's profitability.

According to Eljelly, (2004), he clarified that an effective management of liquidity includes the planning and the control of both current assets and liabilities in a way that gets rid of the uncertainty of being unable to accomplish short terms responsibilities that are due, and prevents making extreme investments on the assets.

The variable of size was identified to bear a more important impact on profitability at the level of the establishment. We can hence expect that with this kind of management of the working capital, it will have an important effect on the company's profitability.

A suggestion was made by Filbeck and Krueger (2005) that companies ought to be able to make a reduction in the cost for financing and or make an increase in the cash attainable for expanding the firm through the minimization of the sum of cash help up in current assets. Significant variation and changes were uncovered in the assessment of working capital between establishments beyond time.

2.2 Working Capital& Working Capital Management

The term "working capital" is the money required for maintaining daily operation activities in a business, such as for purchasing raw material, for paying salaries, wages, rents or any day-to-day expenditures. Net working capital, which measures the working capital's efficiency, represents the excess of current asset over current liabilities. This indication explains the firm's ability to meet its short-term financial obligation (Brealey& Myers, 2002). Current assets and current liabilities are representing the business areas on which managers have the most direct impact. Positive working capital is required to ensure that a firm is able to continue its operations and that if has sufficient funds to satisfy both due short-term debts and upcoming operational expenses.

Working capital is seen as the lifeblood for feeding up daily operations of anorganization. The company uses the working capital for four main business purposes (Seidman, 2004, p.92-93).

The first and conjointly the most important usage of working capital are to provide an ongoing investment in current assets for serving daily expenditures. The

business also needs working capital for prepaid business costs like license, insurance policies or security deposits.

Secondly, working capital helps address seasonal or cyclical finance wants. Since most business does not receive prepayment for selling their goods or services, they needs to finance their purchase of raw materials, production and sales of goods prior to receiving payment from their customers.

Thirdly, working capital is needed to sustain firm's growth. The firm is enlarged not only by investment in new plants or machinery; working capital is also needed to facilitate sales growth. It is as a result of because the business grows; it needs larger investments in inventories, debtor, personnel and other items to extend their sales.

Finally, working capital is employed to enhance activities to improve business operations and to stay competitive, like activities for product development or exploring new markets. In the time of high competition, firms are in would like of desegregation those activities into operations on never ending basis. Consequently, those expenses square measure a lot of probably to be incurred as little recurrent costs rather than as great infrequent investments. Those ongoing investments, accordingly, must be addressed through working capital financing (Seldman, 2004, p.92-93).

Working capital management (WCM) is one of those aspects related to financial management, working capital management is concerned with all management areas regarding finance not only sources and uses of finance in the company, but also the financial implications of investment, production, marketing or personnel decisions and the total performance of the company (Meredith, 1986). Form another point of view, financial management is concerned with raising funds needed to finance the company's assets and activities, allocating these scarce funds between competing uses, and ensuring that those funds are used effectively and efficiently in achieving the company's targets (McMahon, Holmes, Hutchinson &Forsaith, 1993). Next to working capital management, financial management also includes some other management aspects such as accounting information system, financial reporting and analysis, fixed asset management, capital structure management, etc.

Working capital management involves planning and controlling current assets and current liabilities during a manner that eliminates the risk of liability to fulfill due

short-run obligations on the one hand; and avoid excessive investment in these assets on the opposite hand (Eljelly, 2004)

Many financial managers are finding it difficult to spot the necessary drivers of working capital devoting for a superior structure performance. WCM is additionally important because of its effects on the firm's profitability and risk, and consequently its value.

Firstly, maintaining high inventory levels will scale back the price of doable interruptions occurred throughout the assembly method or the cost of business loss because of the merchandise deficiency. It also canfacilitate reduce supply costs and protect against worth fluctuations (Blinder &Manccini, 1991).

Secondly, granting trade credit to customers favors the firm's sales in various ways. Trade credit can incentivize customers to acquire merchandise at times of low demand (Emery, 1987), and help firms to strengthen long-term relationships with their customers (Ng, Smith & Smith, 1999).

Finally, trade credit received from suppliers is considered as an internal resource of financing that compensates the money tied up in the company inventories and customer receivables. But there is another opportunity cost related to early payment discounts if offered. In fact this cost could exceed 20 percent (20%), depending on the discount percentage and also the discount amount granted (Wilner, 2000; Ng, Smith & Smith, 1999). In this respect, previous studies have analyzed the high cost of provider trade credit, finding that corporation finance themselves with supplier credit when they cannot find different economic sources of external funding (Petersen &Rajan, 1994 and 1997).

From another side, the way WCM acts will have a major impact on each the liquidity and profitability of aorganization (Shin &Soenen, 1998). On one hand, if the company neglects the profit, it is going to not survive in the long run. On the other hand, if the liquidity is neglected, the company might face the matter of financial condition.

Additionally, WCM is particularly important to the business. With restricted access to long-term capital markets, those organizations tend to banka lot of heavily on owner funding, trade credit and short-term bank loans to finance their required investment in cash, account receivable and inventory (Chittenden et al, 1998; Saccurato, 1994).

2.3 Profit and Profitability

In general, profit refers to the gain in business activity, which is served for the advantages of business owners. It is usually measured for a given period of time such as a financial year, and calculated by the revenue obtained from business activities minus the expenses used to achieve those revenue (lldiko and Tamas, 2009).

Profit = Revenue – Expenses

There is many vital profit measures in common use (Bodie, Kane and Marcus, 2004) mention some of them as below;

- Gross profit is calculated by Operating Revenue (Sales) minus Cost of Goods Sold

- Operating profit is remained with the company after the subtraction of total operating expenses (including cost of goods sold, selling, general and administrative expenses, depreciation and Amortization and other expenses) from operating revenue

- Earnings before interest and taxes (EBIT) are equal to operating profit plus non-operating profit. When a firm has zero non-operating profit, then operating profit if sometimes used as a synonym for EBIT. People sometimes miss-distinguish between those two types of profit

- Net Profit is equal to EBIT minus interest expenses and income tax expenses

A business without profitability cannot survive whereas a business which is highly profitable is fully capable to reward its owners with a large investment return. Increasing profitability is one of the foremost vital tasks of the business managers. They have been constantly looking for ways to improve their business profitability (lldiko and Tamas, 2009).

2.4 Financial Performance

Financial performance refers to the act of taking part infinancial activity. In broader sense, financial performance refers to the acts of enjoying financial objectives being or has been accomplished. These current assets can be show as the assets which can be become physical cash in a year, if the business runs smoothly, outside of getting to suffer a decrease in worth, or disturbing the running of the organization. It is the method of measure the results of a firm's policies and operations in

financialterms.These results spaceare reflected among the firm's return on investment, return on assets, value added, etc.

The performance of a company is significant not only to the investors, but also to the shareholders and the overall economy. Returns on the investments are of great value to the investors, and a company that is performing exceptionally, will bring high and long term profits on their investments. Apart from that, the profitability of a firm, in terms of financial, will eventually benefit its employees, and bring about an improved quality of their products to their clients. The more a company acquires profits, the more the investments, thereby leading to increased employment opportunities and improve their income. A number of research have been conducted so as to identify the variety of financial components of performance, but up to now, no model has been identified that can capture the utmost degree of diversity. The determinants involved in financial performance can be said to comprise of management of risk, the arrangement of ownership, the structure of capital and liquidity, and finally, the company's policies attributes.

2.5Organization Policies and Structure

There are explicit traits of a company that are connected to high performance. These traits are inclusive of the size, the rate of growth, dividends, liquidity and sales. Big companies draw in better qualified administrators and employees who then make a contribution to the performance of the company. In as much as many researches have been carried out on the individual determining factor of a company's performance, very few have accounted for all the components. A study was conducted byYasseret al. (2011), examining the impact of board characteristics on the performance of a company, and Wahla et al.(2012) assessed the effect of the structure of ownership on the performance of a company.

If the company's administrators owned equity in the firm, then they would be more inclined to increase the returns of the stakeholders (Dutta, 1999). According to Jensen et al. (1992), the diversification of administrators could prove to be costly. This theory of the structure of ownership has been examined empirically on a variety of incidents, and it turned out that the internal ownership usually resulted in the long term performance of a company (Reddy, 2010).

2.6 Capital Structure and Liquidity

Capital Structure is most significant components which influences the generation of funds. In every establishment, a good amount of resources be it land, capital employment or labor is needed. The ratio of debt and equity financing is referred to as the capital structure. In the event that a company utilizes more debt to finance, then it becomes at risk of facing bankruptcy.

Liquiditywhich is due to the ease with which money can be utilized it is hence described as the most liquid asset. For a firm to run smoothly, a certain sum of cash is needed so as to handle sudden costs, make their usual payments, and purchase staple material that is utilized in production.

According to Smith, 1980; Raheman and Masr, (2007), the quandary that arises from the management of working capital is the desire to attain the longed for tradeoff between liquidity and the profitability of the company.

Pertaining to the risk and return theory, the more risky the investment is, then the more profit it will yield. Therefore, companies that have an elevated level of liquidity of working capital may bear low uncertainties and low profitability. In contrast, firms that bear a depleted level of liquidity of working capital, face a high level of uncertainty therefore resulting in a high financial performance.

2.7Ratios

In thispaper working capital management as independent variables that will show by current ratio, current asset to total asset ratio, total asset ratio and debt ratio. Profitability as dependent variables that will show by Net profit margin and return on capital employed.

Net Profit Margin

The net profit margin is adequatewhat quantity net income or profit is generated as a percentage of revenue. Net profit margin is that the quantitative relation of net profits to revenuesfor aorganization or business segment. Net profit margin is often expressed as a proportionhowever also can be represented in decimal form. The net profit margin illustrates what quantity of each dollar in revenue collected by a corporation interprets into profit.

Net income is additionally referred to call the bottom line for a company or the net profit. Net profit margin is also called net margin. The term net profits is equivalent to net income on thestatement of profit or loss, and one can use the terms interchangeably.

Investors will assess if a company's management is generating enough profit from its sales and whether or not in operating costs and overhead costs are being contained.

Formulas and Calculation for Net Profit Margin

$$\text{Net Profit margin} = \frac{R - COGS - E - I - T}{R} \times 100$$

$$= \frac{\text{Net Income}}{R} \times 100$$

Where :

R = Revenue

COGS = The cost of goods sold

E = Operating and other expenses

I = Intrest

T = Tax

Return on capital employed (ROCE)

Return on capital employed (ROCE) could be a financial ratio that measures a company's profitability and also the efficiency with that its capital is used. In other words, the ratio measures however well a corporation is generating profits from its capital. The ROCE ratio is taken into account an important profitability ratio and is used often by investors when screening for appropriate investment candidates.

Formulas and Calculation for Return on Capital Employed

$$\text{Return on Capital Employed (ROCE)} = \frac{EBIT}{\text{Capital Employed}}$$

Where :

EBIT = Earnings before interest and tax

Capital Employed = Total Asset – Current Liabilities

Current Ratio

The current ratio is additionally referred to as the working capital ratio.

The current ratio may be a liquidity ratio that measures a company's ability to pay short-run obligations or those due within one year. It tells investors and analysts however a corporationwill maximize the current assets on its balance sheet to satisfy its current debt and other payables.

Formulas and Calculation for Current Ratio

$$\text{Current Ratios} = \frac{\text{Current Assets}}{\text{Current Liabilities}}$$

Current assets listed on a company's financial position include cash, debtors, inventory and other assets that are expected to be liquidated or turned into cash in less than one year. Current liabilities include creditors, wages, taxes payable, and the current portion of long-term debt.

Current asset to Total assets Ratio

It indicates the extent of total funds invested for the aim of working capital and throws lightweight on the importance of current assets of a firm. It ought to be worthwhile towatch that how much of that portion of total assets is occupied by thesecurrent assets, as current assets are essentially concerned in forming working capital and also take an active part in increasing liquidity.

Formulas and Calculation for Current asset to Total assets Ratio

$$\text{Current asset to Total assets ratio} = \frac{\text{Current Assets}}{\text{Total Assets}}$$

Total Asset Ratio

Total asset ratio is additionallycalled as asset turnover ratio.

The asset turnover ratio measures the worth of a company's sales or revenues relative to the worth of its assets. The asset turnover ratio are often used as an indicator of the efficiency with that a company is using its assets to get revenue.

The higher the asset turnover ratio is showing the a lot of efficient a company. Conversely, if a company has a low asset turnover ratio, it indicates it is not efficiently using its assets to get sales.

The asset turnover ratio is calculated on associate annual basis. The whole assets number used in the denominator are often calculated by taking the average of assets on the balance sheet at the start of the year and at the year's end.

The higher the asset turnover ratio, the higher the company is performing, since higher ratios imply that the company is generating a lot of revenue per dollar of assets. The asset turnover ratio tends to be higher for companies in sure sectors than in others.

Formulas and Calculation for Asset Turnover Ratio

$$\text{Asset Turnover} = \frac{\text{Revenue}}{\dfrac{\text{Beginning assets} + \text{Enging assets}}{2}}$$

Debt Ratio

Debt ratio is additionally referred to as the debt-to-assets-ratio.

The debt ratio could be a financial ratio that measures the extent of a company's leverage. The debt ratio is outlined as the ratio of total debt to total assets, expressed as a decimal or percentage. It is taken as the proportion of a company's assets that are financed by debt.

A ratio greater than 1 that is shows that a considerable portion of debt is funded by assets. In different words, the company has a lot of liabilities than assets. A high ratio additionally indicates that a company is also putting itself at a risk of fail its loans if interest rates were to rise suddenly. A ratio below one (1) translates to the fact that a greater portion of a company's assets is funded by equity.

The higher the debt ratio, the a lot of leveraged a company is, implying larger financial risk. At the same time, leverage is an important tool that companies use to grow, and many businesses find sustainable uses for debt.

Formulas and Calculation for Debt Ratio

$$\text{Debt Ratio} = \frac{\text{Total Liabilities}}{\text{Total Assets}}$$

2.8 Conceptual Framework

The conceptual frame work of the study will be derived as per the views of different authors. On this study the conceptual framework involves the connection between management of working capital and financial performance of public listed companies on YSX in Myanmar. This conceptual frame work is based on the research project reports by JaspherNyachieoNdege, (2014) and Mohamed Ismail MohideenBawa, (2015). Following conceptual model, that show the connection between the independent variable (Working Capital Management) and the dependent variable (Financial Performance of public listed company at YSX in Myanmar)

Figures 2.1 Conceptual Framework of this study

Independent variables   **Dependent Variables**

(Working Capital Management)   (Financial Performance)

Independent variables	Dependent Variables
• Current ratio • Current assets to total asset • Total assets ratio • Debt ratio	• Net Profit Margin Ratio • Return on Capital Employed
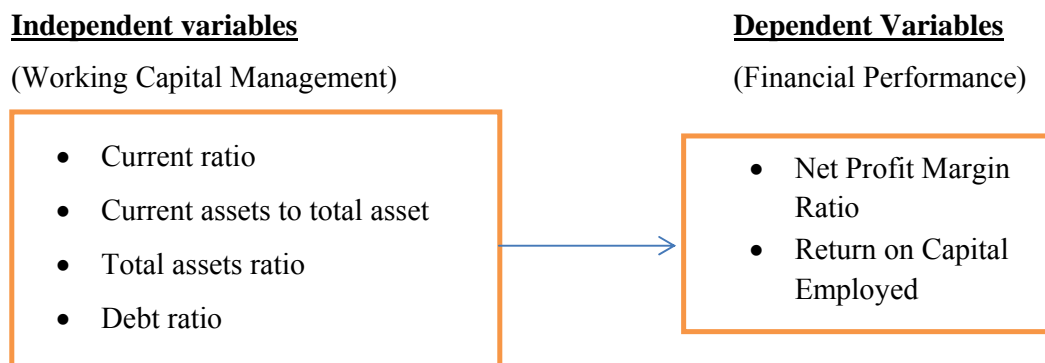
Source: Own combination

In this conceptual frame work Current ratio, Current assets to total asset, Total assets ratio and Debt ratio are behalf of working capital management and they are as independent variables. And the other hand, Net profit margin and Return on capital employed are behalf of financial performance and they are as dependent variables.

This two, independent variables and dependent variables were help to indicate and study relationship between working capital management and financial performance for four public listed companies at YSX in Myanmar.

CHAPTER III
OVERVIEW OF PUBLIC LISTED COMPANY

In this chapter, will overview of public listed companies at Yangon Stock Exchange (YSX) in Myanmar. Myanmar is developing country and Myanmar Securities Exchange Center (MSEC) was started, since 1996 in Yangon this is fifth number at South East Asian. Yangon Stock Exchange as started at 2015, this is last number which is out of nine in South East Asian. Securities Exchange is very interested and each company, who already public, should make listed by first. And then each of the company should do for public listed. That will help for investment increasing process and clearly corporate management show. In the other hand, Public listed company was shown in strongly financial statement.

3.1 Yangon Stock Exchange

The Central Bank of Myanmar (CBM), beneath the Ministry of Finance and Revenue (MOFR), Daiwa Institute of Research Ltd. (DIR) and Japan Exchange Group, Inc. (JPX) signed an MOU to develop human resources and provide technical assistance for the development of financial and capital market in Myanmar at May 2012.

The Security and Exchange Law was enactedon July 2013.

The Securities and Exchange Commission of Myanmar (SECM) was formed under MOF, Yangon Stock Exchange Joint-Venture Company Limited (YSX) obtained permission of foreign investment from the Myanmar Investment Committee (MIC) with Permit No. 877/2014, Yangon Stock Exchange was incorporated and registered by the Directorate of Investment and Company Administration (DICA) with Registration No. 3 JV/2014-2015, and Myanmar Economic Bank, DIR and JPX entered into a Joint-Venture Agreement of YSX in 2014.

YSX obtained permission of securitiesmarket business issued by SECM, YSX selected Kanbawza Bank Ltd. (KBZ Bank) as a fund settlement bank for cash settlement on stock trading at YSX, Securities Exchange Rule was prescribed by Ministry of Finance Order 1806/2015, YSX made an announcement of its listing criteria in 2015, and YSX held the Grand Opening Ceremony on 9th December 2015.

3.2 First Myanmar Investment Public Co., Ltd. (FMI)

First Myanmar Investment Public Co., Ltd. (FMI) was very first started as public listed company at YSX. FMI's code is 00001 at YSX. FMI is formed in 3rd July 1992 and listed to YSX in 25th March 2016.

FMI is associate investment company that owns shares in companies engaged in a very range of diverse businesses. Its core businesses are within the financial services, real estate, healthcare and tourism sectors.

FMI conjointly has investments in different firms, including companies engaged in infrastructure sector and a company developing Thilawa Special Economic Zone.

All of FMI's subsidiaries run their own everyday business activities with a high degree of autonomy. Subsidiaries are managed on a standalone basis and every has its own business functions (such as sales, marketing, purchasing and human resources departments).

FMI has oversight of great capital allocation decisions of its subsidiaries and is actively concerned in selecting the Chief Executive Officer of these companies. FMI's Executive Chairman, U TheimWai @ Serge Pun, is on the Board of Directors of every of its subsidiaries. FMI's management team is additionally responsible for company and social responsibility, setting the company culture, and communication the suitable "tone at the top" messages to its employees, together with those at its subsidiaries. As of 31 March 2018, FMI has a personnel of 3,642 employees on a consolidated basis, 28 of whom are situated at FMI's corporate headquarters.

3.3 Myanmar Thilawa SEZ Public Holding Co., Ltd. (MTSH)

Myanmar Thilawa SEZ Public Holding Co., Ltd. (MTSH) was secondly coming as public listed company at YSX. MTSH's code is 00002 at YSX. MTSH is formed in 3rd May 2013 and listed to YSX in 20th May 2016. During three years as listed company, that is very short time in public listed company.

MTSH may be a public company that owns shares and invests in different companies engaged in real estate development in Myanmar. It was established by a Myanmar consortium comprising of nine principal shareholders primarily (but not exclusively) for the purpose of participating in the Thilawa Special Economic Zone (Thilawa SEZ) Project.

The Thilawa SEZ Project is primarily an industrial park development that the Myanmar Government and the Japanese Government have united to cooperate to develop and also include logistical zones, Residential and Commercial development. MTSH's principal business activities are as follows:

Investment in Myanmar Japan Thilawa Development Ltd. (MJTD), the joint venture company enterprise the event, construction, marketing, lease, sale and operation of the Zone A Project. Apart from being an investor in MJTD, MTSH has a Management Agreement with MJTD. MTSH also has a Marketing Agreement with MJTD to separately search out and secure attainable tenants/locators for Thilawa SEZ Zone A Project.

- Investment in Thilawa Property Development (TPD), which is able to engage within the development, construction, marketing, sale and operation the Residential and business element of the Zone A Project.

- Engage within the development of the Thilawa SEZ (other than the Zone A Area) or any part thereof as is also determined by our Directors in their discretion.

MTSH plans to make and ensure long-term value by investment in other real estate development projects within the Thilawa SEZ and in Myanmar (other than within the Thilawa SEZ), as may be allowed by its Memorandum and Articles of Association and Applicable Laws.

Although the Company believes that majority of its earnings within the successive few years will still return from MJTD and TPD and its current projects, it recognizes that it is important for the Company to expand so as to diversify its sources of earnings and to create positive that the Company has continual and dependable income.

3.4 Myanmar Citizens Bank Ltd. (MCB)

Myanmar Citizens Bank Ltd. (MCB) was thirdly coming as public listed company at YSX. MCB's code is 00003 at YSX. MCB is formed in 30th October 1991 and listed to YSX in 26th August 2016.

MCB is a public bank established in 1991, below Special Company Act. MCB started its business on 2-6-1992 at No. 383, Mahabandoola Road,

KyauktadaTownship, Yangon. Authorized Capital of Myanmar Citizens Bank Ltd is 75 (seventy five) Billion Kyats and our Paid up Capital is 52 (fifty two) Billion Kyats.

MCB offers the domestic banking services, Loan Services, Hire Purchase Services, Two-Step Loan Program in association with JICA (Japan) for SME & HP industrialDevelopments, Staff Loan, Retail Loan for financing SME & HP goods with installment plan, International Banking service and also 663 Mobile Money (Mobile payment services), MPU Card Issuing & JCB, CUP Acquiring Service, and Meter Bill Service.

3.5 First Private Bank Ltd. (FPB)

First Private Bank Ltd. (FPB) was fourthly coming as public listed company at YSX. FPB's code is 00004 at YSX. FPB is formed in 9[th]September 1991 and listed to YSX in 20[th]January 2017.

FPB signed associate agreement with Western Union Money transfer services on 12th January, 2013.

FPB started its Mobile Payment Service (myKyat), to supply service to unbanked individuals and rural areas, in 7th May, 2015. Mobile Banking (myKyat) Services areMobile Banking Account, Cash-in/Cash-out, Send Money, Request Money, Bill Payment (Electricity Bill and YCDC Bill), Phone Top up (E-Load top up), Air Line & Express Car Ticketing Service, Purchase, and Mobile Payment.

Central Bank of Myanmar approved outbound money transfer on 6th January, 2016.

FPB offers the domestic financial services, loan services, hire purchase services, and international transaction services, western union services, and digital banking/ mobile payment/ commencement data.

3.6 TMH Telecom Public Co., Ltd. (TMH)

TMH Telecom Public Co., Ltd. (TMH) was last coming as public listed company at YSX, which in out of five public listed companies in Myanmar.TMH's code is 00005 at YSX. TMH is formed in 21[st]August2007 and listed to YSX in 26[th]January 2018. When research for this paper, TMH announced as public for financial position was only one budget year. So, don't use TMH's data for this paper.

CHAPTER IV

ANALYSIS ON RELATIONSHIP BETWEEN WORKING CAPITAL MANAGEMENT AND FINANCIAL PERFORMANCE

In this chapter, the research design and methodology that was utilized to meet the objectives of the study are presented. It stipulates the systematic research procedure and techniques the researcher applied when collecting and analyzing the data. These steps include; research design, target sample, the techniques for collecting data, analyzingdata and presentation and variables.

4.1 Research Design

A descriptive and conclusive assessment of data is provided. This is utilized to help the study in describing relevant aspects of the phenomena which are being considered. An estimation of the connection between the management of working capital and financial performance of public listed companies are made by the regression. Also thechi square test statistics was used in examining if working capital management is suggestively distinctive from that of the company's financial performance.

The research adopted a descriptive research design. Descriptive research case study is used to develop snapshots of specific observable events of concern, because big samples are at most times involved. This involved a meticulous planning of events so as to depict what is taking place or what took place. It is mostly applicable where the aim of the study is to depict the attributes of particular items, and make estimations of the size of individuals who conduct themselves in particular ways, and develop certain prognostications. The design is ideal for this study given the need to collect information on the connection between working capital and profitability, (Orodho, 2009).

The target sample of the study will be four numbers company of public listed company on YSX in Myanmar (Appendix 2). Sample data will four numbers of budget years (2015-2016 to 2018-2019).

4.2 Data Collection Procedures, Analysis and Presentation

In this research, secondary data will used, that's from public listed company at YSX in Myanmar. It is four number public listed companies which is out of five. All the information that was collected from annual reports published at YSX. Financial information of public listed companies in Myanmar was derived out of the balance sheets, income and expenditurestatements and other relevant document.

The information gathered was assessed through quantitative data analysis techniques so as to determine the degree to which the main study variables are related namely Current ratio, Current asset to Total asset ratio, Total asset ratio, and Debt ratio. Whereas qualitative technique was used for analyzing the on inferential statistics, the quantitative techniques will be use of descriptive statistic. In addition, the data that was collected was subjected to thorough screening to ensure normality, coded and tabulated for easy understanding, for example the researcher organized, edited and interpreted qualitative data, so as to examine, describe and compare the associations and relationships between the main indicators of the study variables. The statistical package for social sciences (SPSS) was used to establish the actual relationship between the two sets of study variables.

The ANOVA technique in the study determined the effect of the model ∞0.05 level of significance. Quantitative analysis of data was used since it well suits secondary data (Leavy, 2004).The financial ratios for both the independent and the dependent variables were computed through SPSS to get the results. Data was represented using tables and regression analysis was used for conclusions.

The researcher used the multivariate regression model below to investigate the data.

$$Y = \beta_0 + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + \beta_4 X_4 + \epsilon_0$$

Where Y=is the Net Profit Margin and Return on Capital Employed to measure financial the performance of manufacturing firms

X1= Current Ratio

X2= Current asset to total asset Ratio

X3= Total asset Ratio

X4= Debt Ratio

β0= Constant term

ε0= Error term

β0, β1, β3,β4= was used to measure the dependent variable (Y) to unit change in the predictor variables.

Significance tests: at 95% confidence level or at 5% degree of significance.

4.3 Descriptive Statistics

It was necessary to evaluate performance of the firm's performance valuables which were being considered;current ratio, current assets to total assets ratio, total asset ratio, debt ratio, and net profit margin ratio, return on capital employed.

Table (1) : Summary of the Statistics of performance Variables

Assessment Variables	Mean	Std. Deviation
Current Ratio	5.6681	8.46996
Current Asset to Total Asset Ratio	0.7531	0.06395
Total Asset Ratio	0.095	0.03367
Debt Ratio	0.6219	0.32652
Net Profit Margin	67.1781	90.90161
Return on Capital Employed	0.1138	0.07284

Source: Survey Data, 2019

Table (1) was based on Appendix (1), it shows summary statistics of all variable utilized in the model. It provides information on mean and the standard deviation per variable. From the findings Current ratio,current assets to total assets ratio, total asset ratio,and debt ratio are averagely 5.6681, 0.7531, 0.0950 and 0.6219 respectively, while net profit margin and return on capital employed were averagely 67.1781 and 0.1138.

4.4Analysis of the relationship between Working Capital Management and Financial Performance

Table (2) : Correlation Analysis on the relationship between working capital management and Net profit margin

Assessment Variables	Net Profit Margin	Current Ratio	Current Asset to Total Asset Ratio	Total Asset Ratio	Debt Ratio
Net Profit Margin	1	.969**	-.553*	0.302	-.935**
Current Ratio	.969**	1	-.546*	0.415	-.980**
Current Asset to Total Asset Ratio	-.553*	-.546*	1	-0.135	0.489
Total Asset Ratio	0.302	0.415	-0.135	1	-0.427
Debt Ratio	-.935**	-.980**	0.489	-0.427	1

**. Correlation is significant at the0.01 level (2-tailed).

*. Correlation is significant at the 0.05 level (2-tailed).

Source: Survey Data, 2019

Table (2) is based on Appendix (2), it indicates the correlation analysis among the public listed companies' financial performance of net profit margin variables. The result shows that public listed companies financial performancevariable on current ratio has a positive significantly association (r =0.969, p =0.000), current to total asset ratio with negative and fairly correlation of (r =-0.553, p =0.026), total asset ratio with lower correlation (r = 0.302, p =0.0255) and debt ratio with negative and strongly correlation of (r =-0.935, p =0.000).

Table (3) : Correlation Analysis on the relationship between working capital management and Return on Capital Employed

Assessment Variables	Net Profit Margin	Current Ratio	Current Asset to Total Asset Ratio	Total Asset Ratio	Debt Ratio
Return on Capital Employed	1	.840**	-0.288	.658**	-.842**
Current Ratio	.840**	1	-.546*	0.415	-.980**
Current Asset to Total Asset Ratio	-0.288	-.546*	1	-0.135	0.489
Total Asset Ratio	.658**	0.415	-0.135	1	-0.427
Debt Ratio	-.842**	-.980**	0.489	-0.427	1

**. Correlation is significant at the0.01 level (2-tailed).

*. Correlation is significant at the 0.05 level (2-tailed).

Source: Data Survey, 2019

Table (3) is predicated on Appendix (3), it indicates the correlation analysis among the public listed companies' financial performance of return on capital employed variables. The result shows that public listed companies financial performancevariable on current ratio has a positive significantly association (r =0.840, p =0.000), current to total asset ratio with negative and lower correlation of (r =-0.288, p =0.280), total asset ratio with positive and strongly correlation of (r = -0.658,p =0.006) and debt ratio with negative and strongly correlation of (r =-0.842, p =0.000).

The Relationship between Working Capital Ratios and Profitability

The researcher utilized generalized multivariate linear regression model to identify whether a statistically significant connection exist between the management of workingcapital variables and financial performance of public listed companies in YSX of Myanmar.

Table (4) : Relationship between Working Capital Ratios and Net Profit Margin

Source	Sig.
(Intercept)	0.698
Current Ratio	0
Current Asset to Total Asset Ratio	0.978
Total Asset Ratio	0.053
Debt Ratio	0.241
R	0.978[a]
R Square	0.956
Adjusted R Square	0.94

Dependent Variable: Net Profit Margin

Model: (Intercept), Current Ratio, Current Asset to Total Asset Ratio, Total Asset Ratio, Debt Ratio

a. Predictors: (Constant), Debt Ratio, Total Asset Ratio, Current Asset to Total Asset Ratio, Current Ratio

Source: Survey Data, 2019

Table (4) is based on Appendix (4), it indicates the generalized regression deviance goodness of fit indicates that the regression equation has a good fit since the adjusted R-square indicate the model can explain 94% ; the predictors current ratio, current asset to total asset ratio, total asset ratio and debt ratio for 94% of the variance in net profit margin.

Table (5) : Relationship between Working Capital Ratios and Return on Capital Employed

Source	Sig.
(Intercept)	0.364
Current Ratio	0.173
Current Asset to Total Asset Ratio	0.113
Total Asset Ratio	0.001
Debt Ratio	0.871
R	0.921[a]
R Square	0.848
Adjusted R Square	0.793

Dependent Variable: Return on Capital Employed

Model: (Intercept), Current Ratio, Current Asset to Total Asset Ratio, Total Asset Ratio, Debt Ratio

a. Predictors: (Constant), Debt Ratio, Total Asset Ratio, Current Asset to Total Asset Ratio, Current Ratio

Source: Survey Data, 2019

Table (5) is based on Appendix (5), it indicates the generalized regression deviance goodness of fit indicates that the regression equation has a good fit since the adjusted R-square indicate the model can explain 79.3%; the predictors current ratio, current asset to total asset ratio, total asset ratio and debt ratio for 79.3% of the variance in return on capital employed.

4.5 Analysis of Determinant on Profitability

Table (6) : Analysis of Determinant on net profit margin

Parameter	B	Std. Error	Hypothesis Test		
			Wald Chi-Square	df	Sig.
(Intercept)	-42.407	109.120	0.151	1	0.698
Current Ratio	14.298	3.0565	21.882	1	0
Current Asset to Total Asset Ratio	2.53	93.2126	0.001	1	0.978
Total Asset Ratio	-305.511	157.8871	3.744	1	0.053
Debt Ratio	89.503	76.4085	1.372	1	0.241
(Scale)	343.424[a]	121.4188			

Dependent Variable: Net Profit Margin

Model: (Intercept), Current Ratio, Current Asset to Total Asset Ratio, Total Asset Ratio, Debt Ratio

a. Maximum likelihood estimate.

Source: Survey Data, 2019

Table (6) is based on Appendix (6), when all factors are taken into account current ratio (B=14.928, Sig.=0.000), current asset to total asset ratio (B=2.53, Sig.=0.978), total asset ratio (B=-305.511, Sig.=0.053) and debt ratio (B=-89.503, Sig.=0.241)had a statistically important influence on the financial performance of net profit margin on public listed companies. The Standardized Beta Coefficients (B) gives a unit measure of eachvariables contribution in the model. The larger the Standardized Beta Coefficients (B) implies a bigger influence per unit change on financial performance of net profit margin on public listed companies. The 95% Wald confidence interval and Sig. (p values) show significance at 0.05 level of importance of each predictor variable.

The model for the financial performance of public listed companies from the regression equation that indicates the contribution in the model by each of the independent variables is;

Financial performance on net profit margin = -42.407 + 14.298current ratio+ 2.53currernt asset to total asset ratio - 305.511total asset ratio + 89.503debt ratio.

Table (7) : Analysis of Determinant on Return on Capital Employed

Parameter	B	Std. Error	Hypothesis Test		
			Wald Chi-Square	df	Sig.
(Intercept)	-0.147	0.1619	0.823	1	0.364
Current Ratio	0.006	0.0045	1.857	1	0.173
Current Asset to Total Asset Ratio	0.219	0.1383	2.510	1	0.113
Total Asset Ratio	0.758	0.2342	10.482	1	0.001
Debt Ratio	-0.018	0.1133	0.026	1	0.871
(Scale)	0.001[a]	0.0003			

Dependent Variable: Return on Capital Employed

a. Maximum likelihood estimate.

Source: Survey Data, 2019

Table (7) is based on Appendix (7), when all factors are taken into account current ratio (B=0.006, Sig.=0.173), current asset to total asset ratio (B=0.219, Sig.=0.113), total asset ratio (B=0.758, Sig.=0.001) and debt ratio (B=-0.018, Sig.=0.871)had a statistically important influence on the financial performance of return on capital employed on public listed companies. The Standardized Beta Coefficients (B) gives a unit measure of eachvariables contribution in the model. The larger the Standardized Beta Coefficients (B) implies a bigger influence per unit change on financial performance of return on capital employed on public listed companies. The 95% Wald confidence interval and Sig. (p values) show significance at 0.05 level of importance of each predictor variable.

The model for the financial performance of public listed companies from the regression equation that indicates the contribution in the model by each of the independent variables is;

Financial performance (return on capital employed) = -0.147 +0.006current ratio+ 0.219currernt asset to total asset ratio+0.758total asset ratio - 0.018debt ratio.

CHAPTER V

CONCLUSIONS

This chapter summarizes the study and creates deductions based on the findings uncovered. Suggestions from the results and also the fields of extra studies are presented. The section presents the results from the research in comparison with what was noted by other researchers in the literature review. In this thesis, an elaborate and detail linkage between the dependent and independent variables in the study. The working capital has a direct relationship with a company's financial performance.

However, no research from the literature has been capable to create a structure that will help administrators to develop a maximum working capital under a variety of establishments. The literature and the research instead indicates an efficient level without unavoidably indicating the same degree or how to establishing it. Not a lot of researches have been carried out in the overall situation of Myanmar that touches on the management of working capital; according to the empirical studies it indicates that not a lot has been done to settle on the connection between working capital and financial performance.

5.1 Findings

The study utilized two kinds of data analysis tools i.e. descriptive analysis, and inferential analysis. Descriptive analysis describes the relevant aspects of the phenomena (mean, standard deviation, maximum and minimum) being considered and indicates itemized data about every important variable. Inferential analysis, the study employs Pearson correlation, the generalized multivariate linear regression analysis and the Chi-square statistics. Initially the study determined the performance of the financial performance variables under consideration that were current ratio, current asset to total asset ratio, total asset ratio and debt ratio. Their mean, standard deviation, minimum and maximum values were determined.

The correlation analysis among the public listed companies' financial performance of net profit margin and return on capital employed variables are strongly and positive significantly association with current ratio. So, if control well in current ratio. That will be increase to net profit margin and return on capital employed. And the other hand, the correlation analysis among the financial

performance of net profit margin and return on capital employed variables are strongly and negatively significantly association with debt ratio. If debt ratio decreases, net profit margin and return on capital employed will increase.

The Pearson correlation result shows that manufacturing firms' financial performance has statistically significant association on current ratio, current asset to total asset ratio, total asset ratio and debt ratio. The results indicated that account current ratio (B=14.298, Sig.=0.000) and total asset ratio (B=-305.511, Sig.=0.053) had a statisticallysignificant influence on the financial performance of net profit margin on public listed companies. The results indicated that account total asset ratio (B=0.758, Sig.=0.001) had a statisticallysignificant influence on the financial performance of return on capital employed on public listed companies. Evaluating the management of working capital has a relationship on financial performance of public listed companies on YSX in Myanmar.

5.2Suggestions

The research scrutinized the relationship between management of working capital and financial performance of public listed companies on YSX in Myanmar. Information was analyzed utilizing both descriptive and inferential statistics for the budget year of 2015-2016 to 2018-2019, totally four years. Currentratio shows significant positive influence and debt ratio negatively influence on net profit margin and return on capital employed. This shows that decisions made on how to manage current assets and liabilities, total asset and total liabilities will affect financial performance of net profit margin and return on capital employed onpublic listed companies on YSX in Myanmar.

The outcome of the firm usually stipulates the worth of the market, and the degree to which the firm is exposed to uncertainties will lead to alteration of the market value. This will impact on a firm's performance. Firms that take a lot of risks, will at most times only draw in clients who love to take risks. It will be fair if risk and returns are managed for investors to get that return which is connected and anticipated with the uncertainties which they have. The research advocates that companies ought to involve a good relationship with those companies which offer periods of long credit and clients with period of short payment.

The study also advocates that there be an appropriate system of managing inventory to prevent overstocking of inventory which could result in efficient outcome in public listed companies. All of the above, current ratio (current asset divided with current liabilities)main to increase, that will help to improved profitability. The study also recommends that every organization should administrate their working capital competently for them to acquire maximum profitability.

5.3FurtherStudies

The main objective of the research was to determine the influence of the management of working capital and financial performance of public listed companies on YSX in Myanmar, due to this most companies considered some of the information too sensitive and confidential and thus were not convinced that the research was just for academic purposes only and may not be used for other purposes.

The findings of the study may be used as a reference to other organization in developing countries since they face almost the same challenges due to prevailing economic situations as opposed to challenges faced in developed countries. Because working capital keeps on changing from one period to another as per prevailing economic situations, the findings may not truly reflect the influence of the management of working capital and financial performance for the period under review. Firms should file their financial returns annually to the registrar of companies, where those who need such statements can easily access them.

There is need to carry out studies on the management of working capital and financial performance of public listed company four number out of five numberwhich is 80% only. The budget year 2015-2016 to 2018-2019 four years learned only. Learned period is very short and the public listed companies are very few number. That's very limited data and very difficult to classified. Further studies should also be carried for a longer time period, as this will helpin detecting developments or changes in characteristics of the population and sequence of events. In addition, both private and public companies should be obliged legally to provide information especially that required for academic purposes as this will give more evidence to policy makers to make necessary commendations.

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APPENDIX 1: Summary of the Statistics of performance Variables

Descriptive Statistics

	N	Minimum	Maximum	Mean	Std. Deviation
Current Ratio	16	.84	22.74	5.6681	8.46996
Current Asset to Total Asset Ratio	16	.64	.87	.7531	.06395
Total Asset Ratio	16	.04	.18	.0950	.03367
Debt Ratio	16	.06	.89	.6219	.32652
Net Profit Margin	16	5.16	290.04	67.1781	90.90161
Return on Capital Employed	16	.04	.29	.1138	.07284

APPENDIX 2: correlation Analysis on the relationship between Working Capital Management and Net profit margin

		Net Profit Margin	Current Ratio	Current Asset to Total Asset Ratio	Total Asset Ratio	Debt Ratio
Net Profit Margin	Pearson Correlation	1	.969**	-.553*	.302	-.935**
	Sig. (2-tailed)		.000	.026	.255	.000
	N	16	16	16	16	16
Current Ratio	Pearson Correlation	.969**	1	-.546*	.415	-.980**
	Sig. (2-tailed)	.000		.029	.110	.000
	N	16	16	16	16	16
Current Asset to Total Asset Ratio	Pearson Correlation	-.553*	-.546*	1	-.135	.489
	Sig. (2-tailed)	.026	.029		.619	.054
	N	16	16	16	16	16
Total Asset Ratio	Pearson Correlation	.302	.415	-.135	1	-.427
	Sig. (2-tailed)	.255	.110	.619		.099
	N	16	16	16	16	16
Debt Ratio	Pearson Correlation	-.935**	-.980**	.489	-.427	1
	Sig. (2-tailed)	.000	.000	.054	.099	
	N	16	16	16	16	16

**. Correlation is significant at the 0.01 level (2-tailed).

*. Correlation is significant at the 0.05 level (2-tailed).

APPENDIX 3: correlation Analysis on the relationship between Working Capital Management and Return on capital employed

Correlations

		Return on Capital Employed	Current Ratio	Current Asset to Total Asset Ratio	Total Asset Ratio	Debt Ratio
Return on Capital Employed	Pearson Correlation	1	.840**	-.288	.658**	-.842**
	Sig. (2-tailed)		.000	.280	.006	.000
	N	16	16	16	16	16
Current Ratio	Pearson Correlation	.840**	1	-.546*	.415	-.980**
	Sig. (2-tailed)	.000		.029	.110	.000
	N	16	16	16	16	16
Current Asset to Total Asset Ratio	Pearson Correlation	-.288	-.546*	1	-.135	.489
	Sig. (2-tailed)	.280	.029		.619	.054
	N	16	16	16	16	16
Total Asset Ratio	Pearson Correlation	.658**	.415	-.135	1	-.427
	Sig. (2-tailed)	.006	.110	.619		.099
	N	16	16	16	16	16
Debt Ratio	Pearson Correlation	-.842**	-.980**	.489	-.427	1
	Sig. (2-tailed)	.000	.000	.054	.099	
	N	16	16	16	16	16

**. Correlation is significant at the 0.01 level (2-tailed).

*. Correlation is significant at the 0.05 level (2-tailed).

APPENDIX 4: Goodness of fit on net profit margin

Tests of Model Effects

Source	Wald Chi-Square	Type III df	Sig.
(Intercept)	.151	1	.698
Current Ratio	21.882	1	.000
Current Asset to Total Asset Ratio	.001	1	.978
Total Asset Ratio	3.744	1	.053
Debt Ratio	1.372	1	.241

Dependent Variable: Net Profit Margin

Model: (Intercept), Current Ratio, Current Asset to Total Asset Ratio, Total Asset Ratio, Debt Ratio

Model Summary[b]

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.978[a]	.956	.940	22.35008

a. Predictors: (Constant), Debt Ratio, Total Asset Ratio, Current Asset to Total Asset Ratio, Current Ratio

b. Dependent Variable: Net Profit Margin

APPENDIX 5: Goodness of fit on return on capital employed

Tests of Model Effects

Source	Type III Wald Chi-Square	Df	Sig.
(Intercept)	.823	1	.364
Current Ratio	1.857	1	.173
Current Asset to Total Asset Ratio	2.510	1	.113
Total Asset Ratio	10.482	1	.001
Debt Ratio	.026	1	.871

Dependent Variable: Return on Capital Employed

Model: (Intercept), Current Ratio, Current Asset to Total Asset Ratio, Total Asset Ratio, Debt Ratio

Model Summary[b]

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.921[a]	.848	.793	.03315

a. Predictors: (Constant), Debt Ratio, Total Asset Ratio, Current Asset to Total Asset Ratio, Current Ratio

b. Dependent Variable: Return on Capital Employed

APPENDIX 6: Parameter Estimates on net profit margin

Parameter Estimates

Parameter	B	Std. Error	95% Wald Confidence Interval		Hypothesis Test		
			Lower	Upper	Wald Chi-Square	df	Sig.
(Intercept)	-42.407	109.1206	-256.279	171.466	.151	1	.698
Current Ratio	14.298	3.0565	8.307	20.289	21.882	1	.000
Current Asset to Total Asset Ratio	2.530	93.2126	-180.163	185.223	.001	1	.978
Total Asset Ratio	-305.511	157.8871	-614.965	3.942	3.744	1	.053
Debt Ratio	89.503	76.4085	-60.255	239.261	1.372	1	.241
(Scale)	343.424a	121.4188	171.746	686.714			

Dependent Variable: Net Profit Margin

Model: (Intercept), Current Ratio, Current Asset to Total Asset Ratio, Total Asset Ratio, Debt Ratio

a. Maximum likelihood estimate.

APPENDIX 7: Parameter Estimates on return on capital employed

| Parameter | B | Std. Error | 95% Wald Confidence Interval | | Hypothesis Test | | |
			Lower	Upper	Wald Chi-Square	df	Sig.
(Intercept)	-.147	.1619	-.464	.170	.823	1	.364
Current Ratio	.006	.0045	-.003	.015	1.857	1	.173
Current Asset to Total Asset Ratio	.219	.1383	-.052	.490	2.510	1	.113
Total Asset Ratio	.758	.2342	.299	1.217	10.482	1	.001
Debt Ratio	-.018	.1133	-.241	.204	.026	1	.871
(Scale)	.001[a]	.0003	.000	.002			

Dependent Variable: Return on Capital Employed

Model: (Intercept), Current Ratio, Current Asset to Total Asset Ratio, Total Asset Ratio, Debt Ratio

a. Maximum likelihood estimate.

APPENDIX 8: Public Listed Companies at Yangon Stock Exchange in Myanmar

1. First Myanmar Investment Public Co., Ltd.
2. Myanmar Thilawa SEZ Holdings Public Co., Ltd.
3. Myanmar Citizen Bank Ltd.
4. First Private Bank Ltd.
5. TMH Telecom Public Co., Ltd.