

Independent Study Title	THE EFFECT OF WORKING CAPITAL MANAGEMENT ON FIRM PERFORMANCE AND EARNINGS VOLATILITY: AN ANALYSIS OF THAI LISTED FIRMS
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ABSTRACT

This paper aims to analyze the relationship between working capital management and firm performance, including profitability and firm value, and earnings volatility served as firm risk of non-financial Thai listed firms for 2004 to 2013. The proxy for working capital management is the cash conversion cycle and its components. Moreover, this study also examines the effect of market phases on working capital management. The results reveal a significantly negative relationship between the cash conversion cycle and firm performance. Moreover, the study finds a positive relationship between the cash conversion cycle and firm risk. The results, however, do indicate a significant relationship between the cash conversion cycle and firm performance during bear and bull markets in a negative and positive direction, respectively. Hence, the relationship between the cash conversion cycle and firm performance is different in each market phase.

Keywords: Working capital management, Cash conversion cycle, Profitability, Firm value, Firm risk, Earnings volatility, Market phrase, Bull market, Bear market