

**EFFECT OF WORKING CAPITAL MANAGEMENT ON FINANCIAL  
PERFORMANCE OF SMALL AND MEDIUM SCALE ENTERPRISES IN  
MOMBASA**

**BY**

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**DECLARATION**


I do hereby declare that this is my original work and has not been handed over to any institution of higher learning for examination.

Signed oshe Date 23 November 2022

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This research project has been submitted with my approval as university supervisor.

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## **DEDICATION**

My unwavering gratitude to my family members and friends for being steadfast, mentors, prayer warriors and cheerleaders. In addition to their unsolicited support and continuous encouragement, they ensured that I progressed successfully. Therefore, this research excelled due to their steadfast, wholehearted and unreserved support. My deepest appreciation to all.

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## **LIST OF THE ABBREVIATIONS**

<b>ANOVA</b>	Analysis of Variance
<b>APM</b>	Accounts Payable Management
<b>ARM</b>	Accounts Receivable Management
<b>CBK</b>	Central Bank of Kenya
<b>CCC</b>	Cash Conversion Cycle
<b>CM</b>	Cash Management
<b>CMA</b>	Capital Markets Authority
<b>FP</b>	Financial Performance
<b>GDP</b>	Gross Domestic Product
<b>KNBS</b>	Kenya National Bureau of Statistics
<b>NSE</b>	Nairobi Securities Exchange
<b>RCP</b>	Receivable Collection Period
<b>ROA</b>	Return on Assets
<b>ROE</b>	Return on Equity
<b>ROI</b>	Return on Investments
<b>SMEs</b>	Small and Medium Enterprises
<b>VIF</b>	Variance Inflation Factor
<b>WC</b>	Working Capital
<b>WCM</b>	Working Capital Management

## ABSTRACT

Firms are incorporating several metrics to enhance the performance in the fast-paced business environment. Working capital management (WCM) is pivotal in the firm stability and its general performance. Subsequently, continuous improvement requires firms to be cognizant of working capital management. It is the cornerstone for the business's financial sustainability, solvency, expansion and diversification. It ensures that the net current asset is managed prudently and efficiently. The mandate of the study was to explore the effect of working capital management on the financial performance of small and medium enterprises in Mombasa County. This study epitomized descriptive research design to expound on causal association. Moreover, this experimentation prioritized the sampling method due to the large number of SMEs in Mombasa County. The research chose the convenience sampling method by prioritizing the top best 50 SMEs ranked by SMEA. Consequently, the data collection was undertaken in a period of 5 years spanning from 2017-2021. This research period was central to the provision of the most updated information. In addition, the data analysis was spearheaded via the maximization of SPSS. The secondary data generated was passed through comprehensive review, classification, coding and analysis. Therefore, ANOVA test conducted portrayed statistical significance since the significance figure  $0.000 < p < (0.05)$ . Further, the F statistics value was 29.390, sum of squared regression was 2.618 and mean squared was 0.655 with 4 degrees of freedom. Nevertheless, sum of squares residual was 5.456 whereas the mean squared residual was 0.022 with 245 degrees of freedom. In addition, the autonomous value for the financial performance whenever everything was maintained unchanged was 79.4%. However, an increment by solitary unit of the account receivables triggers a corresponding though insignificant negative 1.5% financial performance in cases where other enabling factors are maintained constant ( $= -0.015$ ;  $p = 0.058 > 0.05$ ). Whereas, account payable average pinpointed an inverse simultaneous and significant interrelation with financial performance of 11.1% whenever all variable are maintained unchanged ( $\beta = -0.111$ ,  $p = 0.000 < 0.001$ ). On the other part, an increment in inventory management by a single unit replicates a corresponding inverse and insignificant connection towards the financial performance by 1% when all factors are maintained constant ( $\beta = -0.010$ ,  $p = 0.067 > 0.05$ ). To wrap-up, increase in cash management signified positive and significant increment on the financial performance by 11.1% whenever all factors are kept constant ( $\beta = -0.741$ ,  $p = 0.000 < 0.001$ ). The study concluded by recommending further study on the energy and manufacturing sector.

## CHAPTER ONE: INTRODUCTION

### 1.1 Background of the Study

Firms are incorporating several metrics to enhance the performance in the fast-paced business environment. Working capital management (WCM) is pivotal in the firm's profitability and its general performance. The financial performance of an entity relies on the working capital (WC) for prosperity and tremendous progressive change (Ogola, 2021). The efficiency of the operation is related to the maximization of current assets, account receivable and even inventories. Needless to emphasize the central role played by accounts payable in ensuring optimum utilization of assets to increase the organizational financial stability. Ahmed (2022) emphasizes the significance of working capital in harnessing productivity and quality financial performance. Strategic plans for a firm concentrates on the overall organizational finance performance but with a keen analysis of the degree of working capital at their disposal (Barr, 2011).

The theory anchoring this assessment is transaction cost theory (Ronald Coase, 1973). It was put forward to emphasize that an entity incurred certain expenditure to gain a return. Additionally, the cost of looking for information and getting quality deals is crucial. Bargaining and enhancing adherence to policy is a costly process. Moreover, the theory of cash conversion cycle (Gitman, 1974) alludes that quick conversion is a portrayal of proficiency and effectiveness. On the other side, operating cycle theory (Laughin and Richard, 1980) postulates that working capital is pivotal for transaction, operation and longevity sustainability. Therefore, the smooth running of an entity is crucial to eliminating the shortage relating to working capital.

Small and Medium Enterprises (SMEs) are crucial for Kenya transformation growth and prosperity, Ahmed (2022). These entities contribute more than 80% of jobs in Kenya and are the chief drivers of economic prosperity. Khan, Deng and Khan (2016) concludes that 23 million SMEs in the British economy increase job opportunities and control the commercial sector by accounting for 99% of aggregate companies. In Kenya, SMEs contribute higher than 66% of GDP (KNBS, 2021).

### **1.1.1 Working Capital Management**

Continuous improvement requires the firms to be cognizant of WCM. It is the cornerstone for the business's financial sustainability, solvency, expansion and diversification. It ensures that the net current asset is managed prudently and efficiently. Smooth running is the lifeblood of stable liquidity, high profit and maximum value generation for the shareholders (Ogola, 2021). It is supreme in ensuring comprehensive policies formulated, are executed vigorously. Above all, it promotes the going concern of the business by ensuring quality operation within stipulated limits (Alshubiri, 2011).

Effective WCM is pivotal in reinforcing sustainable productivity. Atrill (2006) linked quality WCM with sound liquidity, quality growth and exceptional profitability. It defines the optimization of assets to increase the revenues of the firm. It ensures seamless industrialization in a developing nation. Kofi and Asiamah (2020) concluded that WCM reinforces uninterrupted operations while improving creditworthiness. The maintenance of adequate liquidity is possible through strict measures on the WCM.

The operationalization of WCM has been more of account receivable and payable (Ahmed, 2022). Additionally, Barr (2011) recommended the maximization of firm size due to proximity to the aggregate assets. It is imperative to exemplify that timely

payment of dues upgrades the credit score of the firm. Furthermore, meeting and surpassing the threshold on liquidity and solvency is a fundamental step toward better WCM. According to CBK (2018), the degree of working capital is pivotal for comparison and gauging the strength of the firm. Therefore, this investigation uses, account conversion, cash conversion, accounts payable and inventory management.

### **1.1.2 Financial Performance**

Performance is critical for business since it enhances the stability and attainment of the objective. Therefore, financial performance is a subjective metric useful in gauging the achievement of goals. Therefore, the target can be compared against results and corrective measures spearheaded (Ngari & Muiruri, 2014). Furthermore, it pinpoints the financial strength and its going concern. According to Ahmed (2022), it is multifaceted in the generation of revenue for the business. In a nutshell, it is a quantitative indicator of smart investment and intelligent execution of financial goals.

Financial performance is an indispensable pillar of business stability (Ogola, 2021). The efficient utilization of assets to generate returns is well-expounded by performance. Additionally, the continuous and seamless utilization of resources at the disposal to increase revenue portrays capability and sustainability. This translates to quality performance in longevity. According to Riri (2019), financial goals are realized through the prudent and efficient use of resources.

Financial performance has been explained using different metrics, proxies and indicators. Besides, the quantitative parameters, the use of qualitative indicators have been useful for meaningful conclusion. Makori and Jagongo (2013) incorporated the financial ratio to expound it. This was expedited through the utilization of ROA. The explanation of

performance extends to the use of ROA, Net Profit Margin and ROCE. Other pivotal parameters are ROI and ROE. Cognizant of these measures, this study maximizes the use of ROA.

### **1.1.3 Working Capital Management and Financial Performance**

The intertwining relation connecting the WCM and Financial Performance (FP) need a candid discussion since it has stirred debates. According to Kombo (2017), maximization of WCM is an interactive strategy fueling the enhancement of shareholders' wealth. Ahmed (2022) emphasizes the significance of sound measures of working capital which does not endanger financial performance. The management traits are replicated in the maintenance and operation of working capital. Whereas risk-takers prefer immense investment in projects possessing positive NPV, risk-averse ones prioritize more cash (Riri, 2019).

The firm's policy on WCM steers the business forward. Despite the absence of concurrence on optimum working capital level, its achievements cannot be neglected. Striking the balance between WC associated risk and profitability is crucial (Ogola, 2019). Moreover, maintaining a full operational firm and engaging all assets for maximum return is supreme for small firms. Sufficient investment in the project with a high positive NPV aids in facing future business contingencies.

### **1.1.4 Small and Medium Enterprises**

SMEs are key enablers of economic progression and continuous improvement. The Kenyan economy is boosted substantially by the immense number of SMEs. According to CBK (2021), SMEs employ higher than 80% of the aggregated working population. The micro-enterprise refers to firms having less than 10 employees while medium

enterprises employees 11-49 and small businesses 51-99 employees in Kenya (Noor, 2013). These businesses are the cornerstones for poverty reduction, spurring development, enhancing innovation and increasing the utilization of untapped resources. According to Ahmed (2022), the government can trigger substantial growth among SMEs by providing a serene environment for commercialization. Hence, access to credit and tax exemption can promote the development of SMEs in the bud stage to break even. Furthermore, support in market exposure is a major milestone in the financial performance of SMEs. Besides enhancing quality products, competitive advantage and creating innovation hub, it also encourage optimum operation. In the recent past, the government has made significant steps in research and development aimed at eliminating poor management, increasing quality products and enhancing effective utilization of resources for futuristic growth (CBK, 2021).

The SMEs have experienced immense challenges in management, finances and operations despite their great population. These predicaments have caused severe challenges to financial performance and growth. In addition, capital deficiency has led to stagnated growth despite existence of robust innovations. According to Ogola (2019) youths and women have suffered substantially due to the risk and collapse of SMEs.

## **1.2 Research Problem**

Working capital management has been prioritized currently by risk-averse and risk-taking firms. This is because of its ability to upgrade or pull down profitability of the business (Ngugi, Koori & Wamugo, 2019). WCM is the cornerstone pooling firms' resources, ensuring efficiency and effectiveness to aid both productivity and profitability. The increased risk, poor management and drastic changes in operations have enhanced



uncertainties. According to Riri (2019) the absence of constant and predictable cash flow is an indicator of uncertain profitability. Hence, the business should enhance capital formation and employ remarkable mechanisms for the administration of working capital while stipulating pillars for profitability.

According to KNBS (2021), SMEs are the backbone of economic empowerment. The substantial achievement of SMEs in Kenya spans through employment, revenue generation, utilization of resources, innovation and increase in GDP among others (Amhed, 2022). Mombasa County is hosting numerous SMEs due to its strategic location and magnificent opportunities. Nevertheless, SMEs are struggling to pay liabilities whenever they fall due. The market imperfection confronts SMEs that are still struggling to enhance their profitability. The rate of failure of SMEs in Kenya has been alarming (Ogola, 2019). The government has prioritized capacity building, research and development, access to funds, market exposure, and elimination of unfavorable policies. The overall growth in SMEs has been increasing, however, keen scrutiny of them draw a picture of several firms not maturing but collapsing in alarming rate due to detriments related to working capital (Tauringana et al. 2018).

Globally, several investigations have been accomplished in regards to WC. Onchangwa (2019) attempted to delineate the correlation between WC and ROA and concluded on a negative association. In Pakistan, Tanverer et al. (2016) concentrated on WCM and FP and defined a negative relation while Okpe and Duru (2015) depicted an inverse association between the payable ratio and ROA. In Netherlands, Abuzayed (2012) analyzed CCC and days of average receivable collection thereby arriving at a positive association. The substantial investigation concurs on the importance of SMEs in

economic prosperity. Nonetheless, from the review, it is imperative to accentuate that the findings have raised more debate that calls for more studies.

The studies expedited in Kenya aid in strengthening working capital management. The findings have fueled debate and numerous queries. Ngugi, Koori and Wamugo (2019) stated that SMEs post a substantial role in socio-economic development. However, the interpretation of the findings depicted a negative relation between the debtor collection period verse the profitability. Mugure and Wanjohi (2012) associated the SMEs failures with management problems, technological detriments and unfavorable policies. Also, the intense and unfavorable competition from the large-size firms has led to SMEs collapse or stagnation.

It is worthwhile concluding that the success of SMEs is pegged on battling enormous challenges. The excellent performance is grounded on the prudent superintendence of current assets as well as short-term liabilities. Additionally, based on the number of employment opportunities and the impact of SMEs on GDP, it demands for a comprehensive analysis. The past studies have concentrated on varying concepts and methods which resulted in inconsistent outputs, thus, there are conceptual and methodological gaps respectively. Further, previous studies concentrating on the varying sectors as well as international firms have led to contextual gaps. This study is fueled by the contradicting output of preceding researches hence encouraging the researcher to bridge the gap while reacting to the question on; what is the effect of working capital management on the financial performance of small and medium enterprises in Mombasa County?

### **1.3 Objective of the Study**

To explore the effect of working capital management on the financial performance of small and medium enterprises in Mombasa County.

### **1.4 Value of the Study**

The study's centrality is on its addition of knowledge that is vital for policy formulation. Besides that, it benefits firms immensely by defining areas that need improvement. The managers and policymakers can relook at their operations, financial stability and profit center and make better decisions. The management can enhance their efficiency while advocating for favorable and friendly policies that increase their chances to remain afloat in the market.

The research is critical for critiquing theories. Additionally, it exemplifies the relevance and the connection between past presuppositions and current trends in working capital management. The operation of SMEs can be streamlined to suit the current mandates and revamp the business. This is pivotal in comprehending the WCM, opportunities and risk hence making informed judgments.

This study is a cornerstone for scholars to refer to in their future studies. This is because the analytical skills, knowledge and understanding of SMEs, performance and WCM are fundamental for daily undertaking. Hence, the scholars can maximize the recommendations and suggestions for in-depth scrutiny to rework on areas with gaps. In summary, future researchers can refer to the output, compare and contrast the findings.

## **CHAPTER TWO: LITERATURE REVIEW**

### **2.1 Introduction**

This chapter is very important as a link between the objectives of the study with past presuppositions defined in the theoretical framework. Further, it explicates the enablers of financial performance that have anticipated association with working capital management. Additionally, the chapter encapsulates the reinforcing empirical studies, their superiorities and criticisms. The study goes further to instantiate the connection between the regressed and regressor variable through the conceptual flowchart. Finally, it concludes by summarizing the literature, criticism and knowledge gaps.

### **2.2 Theoretical Framework**

The anchor theory is the transaction cost theory since it enlightens on the cost incurred to derive the information for the betterment of the organization (Coase, 1937). The theory exemplifies that bargaining and implementation of stipulated regulations are costly but should be economical in the long run (Laughin & Richard, 1980). Operating Cycle theory supports the study by highlighting the significance of efficiency, effectiveness and productivity (Gitman, 1974).

#### **2.2.1 Transaction Cost Theory**

The supposition is paramount in enhancing the governance, leadership and balancing the organization mandate versus the external demands. Transaction cost theory was advanced by Ronald Coase (1937) and later reviewed by Oliver Williamson (1975). Transaction cost theory elaborates governance blueprint as being the backbone of the net influence of external and internal transactions to ensure economic efficiency. This theory depends on two assumptions that of, opportunism referring to giving incorrect or incomplete

information during negotiation and execution time and the other assumption is that of bounded rationality.

These theories face several challenges as a result of their assumptions. Due to assumptions of bound rationality, it falls out in the business environment which is not certain. Further, as a result of opportunism assumptions, it is hard to separate honest individuals from those who are dishonest. Moreover, transaction costs reduce returns and with time, high costs of transactions lead to money lost.

In spite of the above limitation, this principle has a positive side. The transaction costs are fundamental since it influences the net return amount a firm can accrue. This theory helps to understand the impacts of sharing inaccurate information in a business. It also helps businesses to understand and come up with mechanisms that curb setbacks due to bound rationality assumptions in an unpredictable environment.

### **2.2.2 Operating Cycle Theory**

It is imperative to coin that this hypothesize has shaped the purchasing and selling of tangible and intangible products. Richards and Laughlin (1980) advanced the operating cycle theory. This theory states that the operating cycle is the duration a firm takes to procure, sell and receive money for goods and services. The duration of the operating cycle usually is pegged on the economic industry. This theory can be maximized if the assumption of cash outflows and inflows are stochastic.

Operating cycle theory has limitations. Most companies purchase goods and services before their clients pay and companies have to continually fund the gap. The theory is deceptive in that it postulates the incapability of current liabilities to enhance productivity

of the company in longevity. This is due to payables as the origin of funding the companies' activities.

Despite the above demerits, this theory has merit side. This theory assists the business to understand the pace at which inventory is selling. Further, it helps in determining the efficiency of the management. Moreover, the usage of receivables and stock turn-over in the operation circuit is crucial in knowhow and determination of the financial flows of the company. This theory is important to this assessment since it helps in comprehension of the operations of working capital and its impacts.

### **2.2.3 Cash Conversion Cycle Theory**

The supposition is central and paramount for extension of knowledge and skills on WCM. Gitman (1974) embedded the theory and was expounded by Blinder (2001) on the rate of cash conversion. This theory describes how long money is bonded in working capital. Moreover, it quantifies the duration a firm takes to convert cash outflow into cash inflows and stay in business. This is computed by summing up days inventory outstanding to the days' sales outstanding and less the days payable outstanding.

This theory faces a number of disadvantages. Foremost, the cash conversion principle differs from one industry to another, thus is hard to compare. In addition, for a firm to ensure a shorter Cash Conversion Cycle, the firm is required to make sales and gather money fast. On the other side, when the business has delayed the payment to the vendors, it impacts association among customers and suppliers.

Despite the disadvantages, the CCC has merits. Firstly, it shows the general image of the company. Secondly, it enables access to the firms' financial health, and adequate cash flow into the enterprise revealing that they are doing well. Moreover, it enables to set KPI

for control, to extend the business activity. It is also an important tool to measure efficiency. Therefore this theory is of great importance in inquiring the effects of WCM on SMEs' financial performance.

### **2.3 Determinants of Financial Performance**

Entire business undertakings are pegged towards the financial performance directly or indirectly. The chief mantle of maximization of shareholder's wealth is well demonstrated through financial returns. In a nutshell, financial performance is the chief objective of prudent operation of the business. The good financial health of an organization illustrates the timely and prompt undertakings. It enhances the firm's reputation while improving its creditworthiness. In addition, it addresses expansion, diversification and meeting the capital requirement for sound operation. This study factors in accounts receivable in addition to accounts payable, cash conversion, and inventory management.

#### **2.3.1 Account Receivable**

Account receivable refers to the fund, a firm's clients owe for the items and services acquired but it has not been paid for. This is a key determinant in cases of assessment of the effects of working capital. Furthermore, it is an obligation generated by business transaction. Therefore, transaction receivables need to be recorded well by the account receivable clerk.

Dan (2020) explored on a study to explore the impacts of account receivable control on the performance of firms in Nigeria. The study uncovered a correlation association between account receivable and the financial performance. As a consequence, the study delve into Nigerian's manufacturing firms to expound about account receivable.

Furthermore, Mori (2018) utilized a credit risk control view to the profitability rate of SMEs in Tanzania. As a consequent, the study pointed to a negative association between credit risk control and the profitability of SMEs.

### **2.3.2 Accounts Payable**

Account payable is another crucial determinant to explore the effects of WCM on a company's financial performance. Account payable refers to the money that a firm has to pay to suppliers of goods and services delivered to the business. A study conducted by Kumaraswany (2016) examined the impacts of reimbursement duration and financial performance of Nigerian enterprises. This study found out that good control of average payment duration enhances manufacturing firms' financial generation.

In addition, Wongthatsanekorn (2015) elaborates that payable account deferred time is inversely interrelated to the turnover of an asset. In addition, the study postulates that registered firms can increase the level of benefits of a company by reducing its payable deferral time. In addition, the examination was motivated to expound the profit level of the entities in Nigeria. But the current study aimed at SMEs' financial performance in Mombasa County, Kenya.

### **2.3.3 Cash Conversion Management**

Cash conversion management is a technique of accounting management utilized to evaluate enterprise efficiency when it comes to WCM. As a result, this model operationalized and measured the length of duration between purchase inventory by the company and receipts of money from the account receivables. Therefore, to control cash conversion, a firm needs to tighten up invoicing steps, expand payment terms and



monitor the lead time of suppliers. Therefore this determinant is of great importance when investigating the effects of working capital control.

Madunga and Obogbomnaya (2018) explored the impacts of cash management on the performance of firms. The driving force was the existence of paradoxical outcome relating to cash management. As a consequence, the outcome from the study showed a significant association among the variables. Another study by Wongthatsnekorn (2015) examined the cash conversion cycle concerning profitability performance by private hospitals in Thailand. The assessment posted a negative significance between the cash conversion cycle and assets turnover.

### **2.3.4 Inventory Management**

Inventory management refers to the control of stocks. Additionally, inventory can be grouped into three; work in process, raw materials and finished goods. This assists firms to understand and identify which and how much inventory needs to be purchased at a particular time. This helps in avoiding under stocking and overstocking of inventory. A number of studies have been done to examine how inventory control impacts working capital management.

Torky (2020) assessed the correlation in the midst of inventory management versus firm's financial performance. As per the study, inventory control has a significant association with firms' profitability. While in the other hand, a study by Wongthatsaneorn (2015) determined how inventory management affects the profitability of Private hospitals situated in Thailand. From this study, the outcome uncovered a negative interrelation between the management of inventory and total assets turnover. Therefore, this determinant needs to be examined in respect to WCM on SMEs in Mombasa County.

### **2.4 Empirical Reviews**

Ogola (2021) undertook a comprehensive study to assess WCM versus the financial performance of deposit-taking Microfinance Institutions. The microfinance institutions were drawn from Mombasa County, Kenya. As a consequence, the study engaged the descriptive research design and assessed a total of 5 Microfinance Institutions in Mombasa and a sample of 48 respondents were picked for the study by purposive sampling approach. Furthermore, multiple-concept approach was used to scrutinize the association between the variables; measured as ratios and rates. Additionally, both secondary and primary data were collected through audited financial reports and by

administering structured questionnaires respectively from MFIs. The collected data were examined carefully by engaging descriptive statistics. Thereafter, findings were projected in tables that indicate percentages and distribution. In addition, inferential statistics of regression, Chi square and Pearson product-moment correlation were obtained from quantitative data per 95% degree of confidence. This study aimed at Microfinance institutions while the current study aimed at SMEs.

Karaduman Halil, Arzu and Salih (2011) conducted an assessment to explore the interrelation between WCM and profitability. The study aimed at organizations registered in Istanbul Stock Exchange for the duration between 2005 and 2009. The study employed a cash conversion cycle to examine the asset's return and working capital management. The study uncovered a positive asset return with a decline in the cycle of cash. The study aimed at the listed institution in Istanbul Stock Exchange therefore the findings cannot be used in respect to SMEs in Mombasa.

Adediran, Bosun-Fakunle and Imuzeze (2012) assessed the influence WCM on the profitability of SMEs in Nigeria. Consequently, the inquiry collected data from thirty SMEs in the 2009. In consequence, the study relied mainly on secondary data origins like the financial statements. The data were checked into by maximization of multi-regression analysis. The outcome from the study posted that declining CCC and companies' number of receivable accounts generates value for the organization and enhances return. However, the study utilized outdated data that cannot reflect the current business and the setting of the study is Nigeria, therefore findings cannot be generalized to other regions or countries.

Hassan, Mberia and Maturi (2017) assessed the influence of WCM on a company's financial performance. The study focused and surveyed the water processing companies in Puntland. Consequently, this assessment engaged a descriptive research design. The assessment used regression analysis as well as correlation to forecast the impact of WCM on the financial performance of entities. It is worth stating that this examination revealed the existence of a positive impact relating to the collection time in conjunction with financial performance of the companies. The assessment majored in water institutions, but the current study focuses on all SMEs institution in Mombasa County.

Amhed, Mahtab, Islam, Abdullah, M. (2017) carried out a study on textile industries in Bangladesh. The driving force of this investigation was to explore the influence of WC on profitability. As a subsequent, the study utilized the regression of logistics to examine data gathered from 22 institutions listed in Dhaka Stock Exchange for more than 8 years. The assessment found out that current liabilities and the current ratio to the total assets posted a great significant influence on the profitability of the firms. Consequently, the study examined firms in Bangladesh therefore findings cannot be utilized in Mombasa County, Kenya.

Yusuf and Sani (2018) conducted an extensive inquiry of WCM policies and the performance of finance. Contextually, the scrutiny delved into food and beverages institutions in Nigeria. It supreme to posit that the descriptive research model was epitomized in the inquiry and depended on secondary data for extensive outcome. Furthermore, the assessment focused on a population of 10 food and beverage institutions registered in the Nigerian Stock Exchange. In addition, the examination of dataset was done by linear regression analysis. As a result, the feedback from the experimentation

showed an absence of substantial and important association in the midst of receivable collection period policies versus the profitability of food and beverage organizations.

The examination took place in Nigeria setting and therefore it cannot be generalized.

Marenya (2020) conducted a study aimed at assessing impacts of accounts receivables, accounts payable, inventory management in addition to cash management on the financial performance. It is crucial to note that the pivotal context of this examination were the manufacturing firms. The firms targeted were registered firms in NSE between 2006 and 2016. The study utilized the exploratory survey research model. A total of nine registered entities at the NSE in the class of allied and manufacturing industry were selected for the inquiry. The investigation relied on secondary data collected through data extraction form. The data assembled were analyzed by engaging SPSS version 23.0 and descriptive statistics. Further, the examination maximized the inferential statistics to exhaustive outcome. In that case this inquiry established the existence of a positive association interconnecting financial performance versus WC. Moreover, the investigation revealed that the firm's exhibited a crucial positive but average influence on the association amid the WCM and financial performance. However, the assessment focused on manufacturing and allied firms listed at NSE but the current study aimed at SMEs in Mombasa County.

As per Adekola, Knight and Sammy (2017) examination of effective WCM driving the business productivity. The scrutiny related WCM as a technique that strives for profitability and liquidity. The study analyzed Nigerian firms. The study maximized data from 50 Nigerian non-financing companies within the duration of 2002 and 2011. The study used chi-square and ANOVA to examine the hypothesis. The study uncovered a

negative interconnection in the midst of the cash conversion cycle as well as gross and net profit. In summary, the context of this study was Nigeria therefore findings cannot be generalized and engaged in Mombasa County.

Ahmed (2022) expedited a diligent inquiry to explore the impacts of WCM on the performance of the finances of firms. The targeted institutions for the study were 243 SMEs in Garissa County. Moreover, simple random sampling was incorporated and utilized whereas a total of 149 SMEs were sampled for the assessment. Further, secondary data was gathered from the sampled sizes from financial records. The assembled data was thereafter scrutinized using inferential and descriptive statistics. Correspondingly, the outcome emanating from examination posited that account receivables, payable accounts, inventory management and cash management replicated an important positive effects on the financial performance of the SMEs. This study took place in Garissa County therefore the findings cannot be utilized in Mombasa County as a result of the different business environments.

Althagafi (2020) assessed the interrelation in the midst of inventory management and firms' financial performance. Therefore, the examination's setting was Saudi Arabia with objective of pinpointing major bottlenecks and addressing them comprehensively. As a consequence, the study used diverse techniques to gather data and analyzed the collected information adequately thereby easing comprehension and interpretation. The study uncovered that inventory control importantly impacts a manufacturing firm's performance. The setting and location-associated gap is filled by the current assessment. Additionally, the prevailing study varies since it examined SMEs in Mombasa County.

Mathuva (2010) utilized a sample size of 30 organizations registered at NSE. The target sample was registered between 2003 and 2008. The central mandate of this examination was to explore the effects of WCM on firms' profitability. In a nutshell, the examination posted the existence of a negative interrelation in the midst of profitability versus accounts receivable. In addition, the assessment established a positive association relating to inventory conversion time versus profitability.

## 2.5 Conceptual Framework

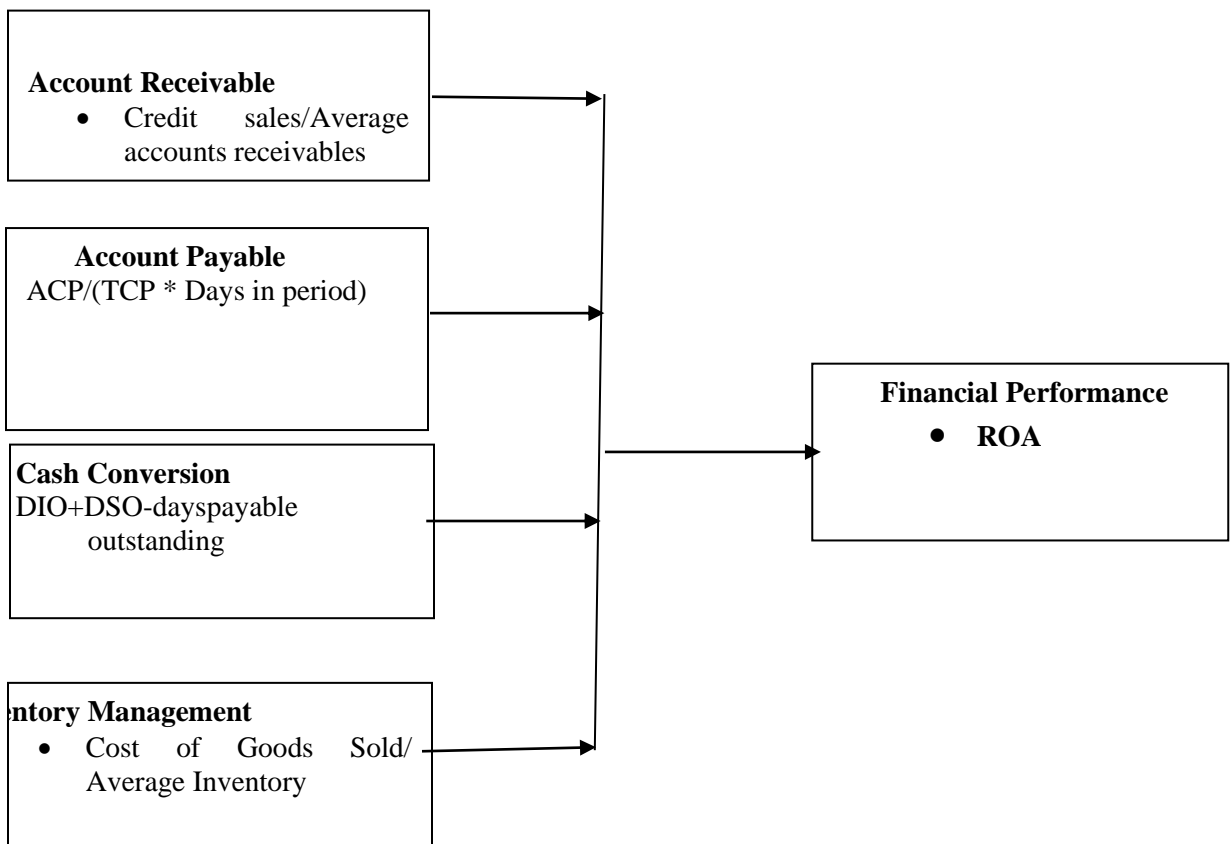
The conceptual model represents a flowchart that enlightens the anticipated connection between the regressors and regressed variables. According to Adekola, Sammy and Knight (2017), it's a vital tool for boosting understanding. It also enhances the prediction of correlation, encapsulates the parameter's direction and organizes the concepts for clarity. In general, the conceptual model represents the final lens useful for intensive viewing as well as deductive problem-solving.

### Independent Variable

#### Working Capital Management Performance

### Dependent variable

#### Financial Performance



**Figure 2.1: Conceptual Framework**  
**Source: Researcher 2022**



## **2.6 Summarized Literature Review and the Research Gaps**

The past studies assessed by this investigation provided a stepping stone for further studies. Ahmed (2022) looked into WCM and FP, and concentrated in Garissa County. The study aimed at identifying association in regard to specific phenomena and concluded on positive correlation. Adekola, Sammy and Knight (2017) stated a negative association amid WCM and FP in Nigeria. The study recommended for changing the particular aspect to conform to new goals of the study. From this, it is worthwhile stating a contextual gap and the mixed outcome.

Moreover, Karaduman Halil, Arzu and Salih (2011) depicted the positive relation amid WCM and FP in their undertaking in Istanbul. The study might have been overcome by trends and events hence need for current study. Additionally, Amhed, Mahtab, Islam, Abdullah, M. (2017) assessed textile firms of Bangladesh. The study blueprinted a positive interrelation between WCM and Profitability. From this, a local study is pivotal in expounding the connection, filling the knowledge gaps, addressing contextual and conceptual loopholes.

## **CHAPTER THREE: RESEARCH METHODOLOGY**

### **3.1 Introduction**

This section is the cornerstone for giving a clear roadmap for the investigation. It delineates the research design that best addresses the scrutiny's objective. In addition, it brought forward sufficient population for scrutiny. Furthermore, the data analysis method was highlighted for an in-depth discussion of a multivariate regression model. The study wrapped-up by giving immense knowledge of inferential statistics.

### **3.2 Research Design**

It is uppermost to exemplify that research design was supreme in describing the appropriate structure, gathering information and easing the research undertaking. According to Akhtar (2016) it is a pivotal plan and structure that fuels the analysis and rigorous investigation. Cooper and Schindler (2014) describe the design as a layout that addresses research detrimental. This study prioritized the descriptive research design to nail the connection between WCM and FP. More so, it aids the observation and description of traits of the dataset with minimal obstruction.

According to Ahmed (2022) descriptive techniques are vital for investigation, robust elaboration and precise postulations. It delineates the prevailing connection and pinpoints the phenomena beneath the investigation. Therefore, it allowed the matching of the collected data with the right mechanism of analysis. In a nutshell, it advocated for credible sourcing of data, trustworthy output and valid output.

### **3.3 Target Population**

The population is vital for setting bold direction regarding the scope and the motivating factor of the study. It also describes the variables' traits that qualify for the investigation. In addition, explains the universe for pinpointing the sufficient dataset (Ogola, 2021). Therefore, it is a systematic breakdown of fundamental factors that explains the target population. The SMEs in Mombasa County are approximately 19708 according to Mohamed and Rugami (2019).

### **3.4 Sampling**

The experimentation chose the sampling method due to the large number of SMEs in Mombasa County. Therefore, the research chose the convenience sampling method by prioritizing the top best 50 SMEs ranked by SMEA (2021). This population was adequate to build exhaustive findings.

### **3.5 Data Collection**

The data collection was undertaken in a period of 5years spanning from 2017-2021. This research period was central to the provision of the most updated information. In addition, it added significant knowledge to the prevailing ideas. The data was collected from individual SMEs through the data collection instrument in Appendix II. The stepwise collection of data through this method was efficient, reliable and valid.

### **3.6 Data Analysis**

The data analysis was spearheaded via the maximization of SPSS. The secondary data generated was passed through comprehensive review, classification, coding and analysis. Therefore, it promoted the systematic optimization and integration of data to derive

greater knowledge. It assimilated the voluminous dataset into detail segments thereby bringing mass structures and new ideas during the interpretation of the results.

### **3.6.1 Diagnostic Tests**

The diagnostic test was systematically undertaken to ensure data adherence to statistic requirements. This eliminated the biasness and misleading information that makes the study unreliable. Therefore, multicollinearity was comprehensively done via VIF to explain the connection among the explanatory variable. The absence of multicollinearity enhanced consistent and valid results. Nonetheless, the presence of connection amid the predictor variables (multicollinearity) demands for the dropping of a greatly related variable.

Kolmogorov-Smirnova was enhanced through the analysis of the connection between explanatory and explained variables. This autocorrelation was expedited to give in-depth knowledge of the relation. The failure to portray autocorrelation advocated for more analytical investigation via Breausch-Godfrey. Finally, normality was tested using Durbin-Watson. Normality was substantial in describing the pattern and behavior of distribution. An abnormal pattern triggers a wrong conclusion; hence, the more graphical test which can be maximized to illustrate the level of skewedness.

### **3.6.2 Empirical Analysis**

The analytical model defines the association combining all the factors in linear manner. It attempts to explain link as well as line of best fit. Hence, it can demystify the nature and pattern thereby guaranteeing the linkage in a snapshot. This is well demonstrated via;

$$Y = \alpha_0 + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + \beta_4 X_4 + \epsilon$$

Whereby

Y= Financial Performance (Operationalized as ROA)

$A_0$ =y intercept of the regression (constant variable)

$X_1$ = Accounts Receivables Management (Operationalized Credit sales/Average accounts receivables \* Days in period)

$X_2$ = Inventory Management (Operationalized Cost-of-Goods-Sold / Average Inventory \* Days in period)

$X_3$ = Accounts Payables Management (Operationalized Average-accounts-payable/(Total Credit purchases \* Days in period)

$X_4$ = Cash Management (Operationalized Days-inventory-outstanding +day-sales outstanding – days payable outstanding)

$\varepsilon$ = error term

### **3.6.3 Inferential Statistics**

The Pearson correlation was undertaken to explain the direction as well as the magnitude. The study was done comprehensively via ANOVA. Above all, T-Testing and F-Testing was crucial in demystifying the statistical significance of  $P \leq 5\%$  for and  $P > 5\%$  statistical insignificance.

## **CHAPTER FOUR: DATA ANALYSIS, RESULTS AND DISCUSSION**

### **4.1 Introduction**

This chapter is an extensive culmination of the study giving binding and dependable solutions towards the research problems. The section is the basic hallmark for bridging the research gaps through well-elaborated solutions based on scientific computation. In this chapter, the superiority of condensed data, discussion, presentation and interpretation are well-articulated. In addition, the information gathered and analyzed was adequate and comprehensive hence meaningful and fundamental for the research.

The study assessed the WCM versus the financial performance to give updated information based on verifiable dataset. Additionally, the researcher assembled the data, reviewed for completeness and credibility before subjecting it to a comprehensive analysis. As a result, it is imperative to contend that this chapter employed descriptive statistics and inferential analysis to demystify the study's findings. Subsequently, the analysis was undertaken logically and systematically using SPSS. This enhanced condensation and computation of voluminous dataset into meaningful, understandable and credible information. In addition, it decreed quality findings grounded on the collected data. Contextually, the study scrutinized SMEs in Mombasa. The variables in this expedition were financial performance regressed against account recoverable management as well as inventory management. Furthermore, the predictor variables included the account payables management in addition to the cash management to upgrade the exhaustive outcome.

### **4.2 Descriptive Statistics**

This is fundamental for the presentation of the raw data to arrive at meaningful findings. It demystifies and summarizes the data in a useful and understandable way. Therefore, it promotes the quantitative description of features that seems difficult in visualizing. The

researcher expedited the descriptive statistics to find out the characteristics of each variable that was under the experimentation. Financial performance was measured on ROA registered a minimum of 0.1252, 1.0738 maximum, 0.413955 mean and 0.1800791 standard deviation. This implied that over the 5 years period 2017-2021 financial performance registered a mean average of 0.4139.

Account receivable average registered minimum of 2.0263 and maximum of 10.13 while account payable average recorded a minimum of 2.7644 and maximum of 5.76. The research findings also showed that inventory management showed a minimum of 2.2039 and maximum of 8.3380 while cash management showed a minimum of 0.0377 and maximum of 0.9914. Use of descriptive statistics is reliable while examining voluminous dataset and articulating specific aspects such as mean and standard deviation. Consequently, it assists in data presentation in a logical, efficient and effective way. As a results it generates intensive information, builds presentation from prevailing traits and offer pictorial imagination from a snapshot. Saunders and Cooper (2015) opine that, summarized information can easily be generated from descriptive statistics to aid arrival at dependable solutions. Grounded on the SD, it is worth mentioning that dataset had minimal difference hence portraying minimal variability. The least variability is fundamental for quality and credible solutions.

**Table 4.1 Descriptive Statistics**

	<b>N</b>	<b>Minimum</b>	<b>Maximum</b>	<b>Mean</b>	<b>Std. Deviation</b>
Financial-Performance	250	.1252	1.0738	.413955	.1800791
Account Receivable Average	250	2.0263	10.1319	4.475829	1.2456894
Account Payable Average	250	2.7644	5.7656	3.571940	.2878274
Inventory Management	250	2.2039	8.3380	4.825437	1.7487103
Cash Management	250	.0377	.9914	.177922	.1340815
Valid N (listwise)	250				

### 4.3 Correlation Analysis

This computation was fundamental in enhancing conclusive and dependable results. It exhibits distinctive features through its capability to explain the directional movement as well as its degree. In a nutshell, the direction and strength can be articulated sufficiently through correlation computation. It reinforces the explanation of relationship, for instance, positive interaction posit that the variables are adjusting simultaneously and correspondingly in same direction. As a result, it was paramount in uncovering the association exhibited by the variables.

The paramount role of correlation analysis in demonstrating the interactions has been replicated in this study's variables. The outcome postulates that cash management posted a positive correlation towards financial performance as seen by ( $r=0.52461$ ). Inventory turnover ratio, account receivable average and account payable articulated a negative correlation towards the regressed variable. Nevertheless, three inventory turnover ratio, account receivable average and account payable exhibited negative correlation towards the predictor had weak negative correlation as seen ( $r=-0.04942$ ,  $-0.09701$  and  $-0.12984$ )



respectively.

**Table 4.2 Correlation Analysis**

	<b>Financial performance</b>	<b>Inventory Turnover Ratio</b>	<b>Account Receivable Average</b>	<b>Account Payable Average</b>	<b>Cash Management</b>
Financial Performance	1				
Inventory Turnover ratio	-0.04942	1			
Account receivable average	-0.09701	0.076976	1		
account payable average	-0.12984	-0.06296	-0.0916	1	
Cash Management	0.52461	0.107043	0.145019	-0.09985	1

#### **4.4 Diagnostic Tests**

The presentation of accurate and reliable information is possible when all the scientific parameters are expedited. Therefore, this study enhanced the conclusive findings through exceptional prioritization of multicollinearity test, autocorrelation test and the normality test. It was aimed to arrive at the dependable solution that is on tandem with the scientific stipulations. It is imperative to demystify that diagnostic tests clear-out the dataset for further and extensive analysis. Therefore, it assisted in coming up with sound findings. According to Mwangi (2010) diagnostic tests are crucial pillars aiding decision making at the same time eliminating barriers. The dataset did not face diagnostic problems hence was good for modeling.

##### **4.4.1 Multicollinearity Test**

Exhaustive analysis is aided by multicollinearity examinations. It was a master plan for bridging the loopholes while assisting in building knowledge and skills on difference in

degrees of multicollinearity. Subsequently, this examination was meant to detect problems and avail the remedial measure. The analysis optimized Tolerance and VIF value to check if the dataset meet the requirements.

The multicollinearity test was expedited out to scrutinize if the variables in the study was affected by multicollinerity predicaments. This was performed through the utilization of the Tolerance and the VIF values. The rule in this analysis is pegged on the requirement stating that the Tolerance values should be beyond 0.2 and the VIF beneath 10 to explain no multicollinearity issue. From the findings, this condition was met since tolerance value were 0.982, 0.970, 0.982 and 0.963 hence conforming to the postulation requiring tolerance value above 0.2. In addition, the VIF registered were 1.018, 1.031, 1.019 and 1.038 hence obeying the scientific threshold advocating for VIF below ten. In summary the data set did not breach the multicollinearity rules.

**Table 4.3 Collinearity Analysis**

Model	Collinearity Statistics	
	Tolerance	VIF
(Constant)		
1		
Account Receivable Average	.982	1.018
Account Payable Average	.970	1.031
Inventory Management	.982	1.019
Cash Management	.963	1.038

#### **4.4.2 Autocorrelation Test**

The study expedited the autocorrelation empirical analysis to observe the trend in a specific time series stemming from successive points. After extensive scrutiny and intensive observations of patterns and behavior through Durbin Watson, the study

accentuated that the value fall within the mandated range. Durbin Watson (1971) stipulated a mandatory requirement of 0-4 where 0-2 posits the positive autocorrelation while 2-4 signify negative autocorrelation thereby negative association.

Autocorrelation was basic for this study and from the table, the Durbin Watson value was 1.337. As a consequence, this value lied between the required and accepted range of the Durbin Watson values. The diligent inquiry was paramount in explaining the error term in successive period hence 1.337 conformed to the findings.

**Table 4.4 Autocorrelation Test**

<b>Model</b>	<b>Durbin-Watson</b>
1	1.337

#### **4.4.3 Normality Test**

The extensive inquiry of autocorrelation was thoroughly expedited to check on normality. The test for normality was conducted through extensive scrutiny of the Kolmogorov-Smirnov and the Shapiro-wilk Test. The rule under this concept is that if significance levels for both tests are less than the P-Value of 0.05, henceforth, it expressed that the data for the variables had been obtained from a normally distributed distribution. The outcome in the table below met this condition thus stating that the data from these variables had been obtained from a normally distributed population.

**Table 4.5 Tests of Normality**

	Kolmogorov-Smirnov <sup>a</sup>			Shapiro-Wilk		
	Statistic	Df	Sig.	Statistic	df	Sig.
Financial-Performance	.156	250	.000	.853	250	.000
Account Receivable Average	.075	250	.002	.969	250	.000
Account Payable Average	.094	250	.000	.874	250	.000
Inventory Management	.096	250	.000	.933	250	.000
Cash Management	.214	250	.000	.553	250	.000

a. Lilliefors Significance Correction

#### 4.5 Regression Analysis

Empirically, the exhaustive computation were fundamental, hence, the linear regression analysis was conducted to estimate the correlation percentage, the coefficient of determination, ANOVA test and the regression coefficient. The regression computation was pre-eminent in elucidating the prevailing interactions. As a consequence, it involved the quantification of dataset hence postulating the corresponding direction, magnitude and point of interactions. It therefore expounded on the arithmetic model that was essential for prediction and financial performance.

##### 4.5.1 ANOVA Test

The computation was successful and gained momentum in elaboration of deviation among average under specified groups. As a consequence, ANOVA tabulation was fundamental in delineating the completed findings. The ANOVA test conducted portrayed statistical significance since the significance value  $0.000 < p (0.05)$ . Further the

F statistics value was 29.390, sum of squared regression was 2.618 and mean squared was 0.655 with 4 degrees of freedom. Nevertheless, sum of squares residual was 5.456 whereas the mean squared residual was 0.022 with 245 degrees of freedom.

**Table 4.6 ANOVA<sup>a</sup>**

<b>Model</b>		<b>Sum of Squares</b>	<b>Df</b>	<b>Mean Square</b>	<b>F</b>	<b>Sig.</b>
	Regression	2.618	4	.655	29.390	.000 <sup>b</sup>
1	Residual	5.456	245	.022		
	Total	8.075	249			

a. Regressor Variable: Financial Performance

b. Regressed: (Constant), Cash Management, Inventory Management, Account Receivable Average, Account Payable Average

#### **4.5.2 Model Summary**

The epicenter of extensive and exhaustive computation was on summarized regression model. As a consequence, the model summary tabulated below posits the magnitude of interrelation as well as the coefficient correlation of the variables in the investigation. The outcome posted that the variables registered 56.9% correlation. R-Squared value 0.324 was the correlation coefficient expressing that 32.4% of changes and variation of financial performance was being caused by Cash Management, Inventory Management, Account Receivable Average and account Payable Average. This further expressed that 67.4% of changes in the financial-performance was as a consequence of other enablers not captured in this assessment.

**Table 4.7 Model Summary**

Model	R	R Square
1	.569 <sup>a</sup>	.324

### 4.5.3 Regression Co-Efficient

The regression coefficient below delineates that whenever all the factors are held constant, there is an increase in financial performance by 79.4%. The findings also posited that the account receivable average pinpointed a negative and insignificant relationship towards the financial performance as shown by ( $\beta=-0.015$ ;  $p=0.058>0.05$ ). Account payable average also illustrated negative and significant relationship towards the independent variable ( $\beta=-0.111$ ,  $p=0.000<0.001$ ). Inventory management concluded a negative and insignificant connection towards the financial performance ( $\beta=-0.010$ ,  $p=0.067>0.05$ ). In addition, cash management signified positive and significant relationship towards the financial management ( $\beta=0.741$ ,  $p=0.000<0.001$ ).

**Table 4.8 Coefficient of Determination**

Model	Unstandardized		Standardized	T	Sig.
	Coefficients				
	B	Std. Error	Beta		
	(Constant)	.794	.126	6.280	.000
1	Account Receivable Average	-.015	.008	-.101	.058
	Account Payable Average	-.111	.033	-.178	.001
	Inventory Management	-.010	.005	-.097	.067
	Cash Management	.741	.072	.552	10.306

With these findings, the researcher came up with a mathematical model that was used in predicting the future of financial performance of the SMEs given the factors above.

$$Y = 0.794 - 0.015X_1 - 0.111X_2 - 0.010X_3 + 0.741X_4 + \epsilon$$

Whereby

Y= Financial Performance

A<sub>0</sub>=y intercept of the regression (constant variable)

X<sub>1</sub>= Accounts Receivables Management

X<sub>2</sub>= Inventory Management

X<sub>3</sub>= Accounts Payables Management)

X<sub>4</sub>= Cash Management

ε= error term

#### **4.6 Discussion of the Findings**

Cash management proved to have more positive impact on the financial performance.

As seen in the correlation analysis, this variable posted a strong positive correlation with the financial performance of  $r=52.46\%$ . The other variables had negative

correlation towards the dependent variable. Karaduman Halil, Arzu and Salih (2011)

postulated that decreasing the cash cycle was replicated on the profitability of the firms.

This was inconsistency with the prevailing outcome delineating the importance of cash management for quality performance. Additionally, Adediran, Bosun-Fakunle and

Imuzeze (2012) pinpointed that the WCM was positively correlated with return on the assets. Moreover, the outcome postulated that account receivables was positively

correlated with performance hence contradicting the prevailing outcome indicating negative association. Hassan, Maturi and Mberia (2017) revealed a positive interaction

between collection time and firm's performance. On the other side, Yusuf and Sani (2018) postulated that the receivable collection time registered positive correspondence

on profitability thereby discrediting the current outcome.

The descriptive analysis posted that cash management values for the 5 year study period had the least percentage recorded as 0.0377 and the highest value being 0.9914.

Consequently, the research outcome also registered that account receivable average had a least data recorded at 2.026 and highest value at 10.131. In addition, the four independent variables had no multicollinearity issues; this was shown by the test findings in tolerance and the VIF values whereby, Tolerance values 0.982, 0.970, 0.982 and 0.963 > 0.02 and VIF values 1.018, 1.031, 1.019 and 1.038 < 10. The Durbin Value 1.337 was between 0 and 4, thus lying within the accepted values of the autocorrelation. The data was also assembled from a normal distributed population since the quantified and calculated outcome met the stipulated threshold for the Kolmogorov and Smirnov tests for normality.

The F statistics 29.390 whereas significance figure  $0.000 < p (0.05)$  was enough evidence postulating that the model was statistically significant hence meaningful, useful and sufficient for predicting the future. The regression coefficient posted that cash management exhibited a strong positive and significant correlation towards the financial performance.

Kamaraswang (2016) recommended for good regulation measures to enhance the financial performance. The outcome advocated for optimum average payment duration to enhance the financial performance. On the other side, Ogola (2021) concluded that WCM was the epicenter of the financial management hence affirming the current assessment. However, Marenya (2020) indicated that the working capital simultaneously corresponded with financial performance. It is imperative to posit that Adekola, Sammy and Knight (2017) pointed out a negative association in the midst of the cash conversion cycle versus the profitability of firms hence not concurring with the prevailing study. In addition, Ahmed (2022) concluded that account receivables, payable



accounts, inventory management moved in the same direction with the financial performance hence disagreeing with the current assessment.

The autonomous value for the financial performance whenever everything was maintained unchanged was 79.4%. However, an increment by solitary unit of the account receivables triggers a corresponding though insignificant negative 1.5% financial performance in cases where other enabling factors are maintained constant ( $\beta=-0.015$ ;  $p=0.058>0.05$ ). Additionally, account payable average pinpointed an inverse simultaneous and significant interrelation with financial performance of 11.1% whenever all variable are maintained unchanged ( $\beta=-0.111$ ,  $p=0.000<0.001$ ). On the other part, an increment in inventory management by a single unit replicates a corresponding inverse and insignificant connection towards the financial performance by 1% when all factors are maintained constant ( $\beta=-0.010$ ,  $p=0.067>0.05$ ). To wrap-up, increase in cash management signified positive and significant increment on the financial performance by 11.1% whenever all factors are kept constant ( $\beta=0.741$ ,  $p=0.000<0.001$ ).

$$Y = 0.794 - 0.015X_1 - 0.111X_2 - 0.010X_3 + 0.741X_4 + \varepsilon$$

However, due to significance requirement the model is well stipulated as;

$$Y = 0.794 - 0.111X_2 + 0.741X_4 + \varepsilon$$

Y= Financial Performance (Operationalized as ROA)

A0=y intercept of the regression (constant variable)

X<sub>1</sub>= Accounts Receivables Management

X<sub>2</sub>= Inventory Management

X<sub>3</sub>= Accounts Payables Management

X<sub>4</sub>= Cash Management

$\varepsilon$ = error term

According to Dan (2020) account receivable is negatively correlated with the financial

returns of business hence affirming the prevailing assessment. In addition Kamaraswany (2016) called for deferment of payment to enhance performance. Moreover, Althagafi (2020) elucidated the supremacy of inventory management versus the financial performance. The assessment wrapped-up by illustrating positive interaction. Nonetheless, Mathuva (2010) concluded on negative interconnection between inventory conversion and the profitability of the firm hence agreeing with the current study.

## CHAPTER FIVE

### SUMMARY OF FINDINGS, CONCLUSION AND RECOMMENDATION.

#### 5.1 Introduction

The main objective of the assessment was to determine the effect of WC management on financial performance. This examination pivotal in delineating of small and medium scale enterprises in Mombasa grounded on quantified, examined and calculated results. As a consequence, this chapter covered the summarized of outcome to accentuate the verifiable outcome based on prevailing evidence, the discussions of the study as well as the conclusion of the investigation. Furthermore, the recommendation to reinforce policies and practice are well-articulated in this assessment. Additionally, the extensive scrutiny of limitation emanating from study's inference has been highlighted. This diligent inquiry wrapped-up by elucidating the areas that calls for further inquiries.

#### 5.2 Summary of Findings

It is worth worthwhile stating that this research was keen on finding out the effects of WCM of the financial performance of SMEs in Mombasa. As a subsequent, the findings showed that the financial management recorded a mean of 0.413955 and SD of 0.1800791. Account receivable average and account payable average posted an average of 4.476, 3.5719 and SD of 1.2459 and 0.2878 respectively. Inventory management and cash management showed means of 4.825 and 0.1779. The two variables also had SD of 1.7487 and 0.1341 respectively.

The diagnostic test showed the data met all the requirements. The multicollinearity test on the independent variables depicted that they had no multicollinearity problems. This was seen through the VIF and the Tolerance values meeting the set conditions for non-

multicollinearity. The Durbin-Watson value 1.337, lied within the required range of the Durbin Values. In addition, the normality test was performed through the Kolmogorov-Smirnov in addition to the Shapiro-test to establish if the data had been obtained from a normally distributed population. The findings showed that the observations had significance figure below 0.05 expressing that the data had been generated from normally distributed population.

The regression analysis ANOVA test showed a significance value of  $0.000 < P(0.05)$ , therefore expressed that the model was statistically significant. The model summary value showed a correlation of 0.569 expressing that the study variables had 56.9% relationships, The R-Square value obtained suggested that 32.4% deviation in financial performance of SMEs was as a consequence of Cash Management, Inventory Management, Account Receivable Average on top of Account Payable Average while, the remaining 67.4% of changes were triggered by other variables neither prioritized nor epitomized in this study. Therefore, this section demonstrates the summarized outcome of the assessment according to the central objective of the investigation.

### **5.2.1 Accounts Receivable**

From the computation of the data carried out in the investigation, the descriptive findings of accounts receivable indicated that it posted an average of .413955 and a SD of .1800791. The correlation outcome on the other side exemplified that accounts receivable registered a negative correlation with financial performance of SMEs in Mombasa. In addition, the regression analysis postulated that accounts receivable posted an inverse connection (-.015) and insignificant linear interaction (.058 > 0.05) with financial performance of SMEs in Mombasa. Therefore, a unit improvement in accounts payable

leads to 0.015 units insignificant decrease in the financial performance of SMEs in Mombasa. Account receivable refers to funds a firm's clients owe for the items and services acquired but it has not been paid for. This is a key determinant when it comes to assessment of effects of working capital. It is obligation generated by business transaction. Therefore, transaction receivables need to be recorded well by account receivable clerk. Mori (2018) argued on the existence of negative interconnection between credit risk control and profitability to the SMEs.

### **5.2.2 Accounts Payable**

The assessment and analysis of the dataset with regards to the effect of accounts payable on the FP of SMEs in Mombasa have the findings summarized exhaustive in this point. The correlation outcomes of the inquiry pointed out that the correlation between accounts payable and financial performance of SMEs in Mombasa was negative. In addition, the mean and the standard deviation of accounts payable was 3.571940 and .2878274 respectively. Regression results postulated that the linear interrelations between accounts payable and financial performance was negative (-.111) hence statistical significant ( $.001 < 0.05$ ). That meant that improving accounts payable by a unit yields a significant 0.111 units decrease in the financial performance of SMEs in Mombasa. Account payable refers to the money that a firm has to pay to suppliers of goods and services delivered to the business. Kumaraswamy (2016) postulated that a good control of average payment duration enhances manufacturing firms' financial generation.

### **5.2.3 Cash Conversion Management**

The results of data analysis concerning the interrelations between cash conversion management and the FP gave the results as follows. The standard deviation and the mean of cash conversion management was .1340815 and .177922 in that order. Additionally, cash conversion management posted a positive inter-correlation with financial performance. In addition, the regression findings of the research gave the following results, the coefficient of cash conversion management was .741 which was statistically significant ( $0.000 < 0.05$ ) at 95% degree of significance. Consequently, this expresses that increasing the cash conversion management by a unit results on 0.741 units significant increase in the financial performance of SMEs in Mombasa. Cash conversion management is an accounting management utilized to evaluate the enterprise efficiency when it comes to working capital management. It measures the length of duration amid purchase inventory by a company and receipts of money from the account receivables. To control cash conversion, a firm need to tighten up invoicing steps, expand payment terms and monitor lead-time of suppliers. Cash conversion management recorded a positive interaction between the performance of companies (Madunga and Obogbomnaya 2018).

### **5.2.4 Inventory Management**

The research findings pointed out that the correlation in the midst of inventory management and the FP was negative. More so, the descriptive results further indicated that the mean and the SD of inventory management was 4.825437 and 1.7487103 consecutively. When regression analysis was conducted, the coefficient of inventory management obtained was -.010 which was insignificant ( $.067 < 0.05$ ). This means that a unit increment in inventory management leads to an insignificant decrement by 0.01 units

in the financial performance of SMEs in Mombasa. Inventory management assist firms to understand and identify which and how much inventory need to be purchased at a particular time. Moreover, this helps in avoiding under stock and overstock of inventory. The outcome in this assessment concurred with the outcome of Wongthatsanekorn (2015) who sought to determine how inventory management affects profitability of Private hospitals in Thailand and found a negative relationship between management of inventory and total assets turnover.

### **5.3 Conclusion**

The study infers that accounts payable have a negative effect on the financial performance of SMEs in Mombasa. Therefore, these enterprises should balance between paying their suppliers and having stock for the businesses. The enterprises should always avoid default of payments supplied to them as this will lead to more costs to the business which will affect its financial performance. Payment to suppliers reduces the operating capital of the business. However, for the firms to maintain financial performance they must balance the payments of the suppliers and the acquisition of new stock for the business to ensure continuity in operations.

In addition, the study further concludes that accounts receivable are negatively correlated with the financial performance of SMEs in Mombasa. It is necessary for the SMEs in Mombasa to ensure that payments for goods and service rendered be paid within a short time. Having a sizable accounts receivable may affect the operations of the business. In addition and to maintain a going concern of the enterprise, the enterprises must ensure payments of goods delivered or services rendered immediately or within a short period of

time. Large amounts of accounts receivable threatens the health and the operations of the enterprise and the enterprise may risk closing operations.

With regards to the cash conversion management, the study concludes that cash conversion management and financial performance are statistically and positively related. Cash conversion management is accounting management utilized to evaluate the enterprise efficiency when it comes to working capital management. It measures the length of duration amid purchase inventory by a company and receipts of money from the account receivables. To control cash conversion, a firm need to tighten up invoicing steps, expand payment terms and monitor lead-time of suppliers. Ensuring proper cash conversion management is beneficial for the enterprise because the enterprise can be in a position to know the status of its operating efficiency and hence financial performance.

Finally, the research concludes that inventory management and the performance of the SMEs is negative yet insignificant. This means that improving inventory management may not significantly affect the performance of the SMEs in Mombasa. Inventory management assist firms to understand and identify which and how much inventory need to be purchased at a particular time. Moreover, this helps in avoiding under stock and overstock of inventory. Inventory management therefore may not be a significant determinant of financial performance.

#### **5.4 Recommendation**

The investigation recommends that the firms should strive to ensure that the accounts receivable should be managed to negligible accounts. Considering the size of the enterprises, the accounts receivable management is crucial in enhancing financial



performance and sustainability as well. The enterprises should avoid or minimize the size of accounts receivable. In addition, the firms should balance between settling the accounts payable and acquiring new stock. This is based on the consideration that a number of the enterprises might be dependent on credit for operations. Balancing the two is thus essential for the operations and financial performance of the enterprise. Concerning cash conversion management, the study recommends that the enterprises should deal in products and services that are fast moving. They should avoid stocks that may be retained for long before sale. Dealing in fast moving products and services enhances financial performance of the enterprise. Finally, regarding inventory management, the firms must invest in proper records within the enterprises for easy monitoring of stock sales as well as minimize on the losses. The records will help to easily identify the products and services on demand that the enterprise should invest more capital in.

### **5.5 Limitations of the Study**

This investigation concentrated on the SMEs within Mombasa County. However, there are other SMEs across the country. In addition, this assessment delved into WCM versus the financial performance hence locking out other variables which are not related to the topic. Therefore, there are other determinants and enablers playing fundamental role on the financial performance which were not considered in this assessment. Moreover, the focal point was SMEs in Mombasa counties hence other sectors were not incorporated due to minimal time and resources. Finally, the assessment was limited to secondary data. Nevertheless, primary data may be utilized to generate first-hand results from informed respondents.

## **5.6 Suggestions for Further Research**

This investigation advocates and recommends for extensive research on the effect of WCM on market capitalization, financial fragility and dividend payment. Additionally, an extensive study replicating the same on the context of energy and manufacturing sector can be spearheaded.

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**Appendix I: List of Small and Medium Enterprises in Mombasa County**

1	MAKADARA CHEMIST
2	QUEES COLLECTION BOUTIQUE AND LAUNDRY
3	AURIC JEWELLERS
4	BIAPROCADE TOURS & SAFARIS LIMITED
5	SHANZU BOYS PROBATION HOSTEL
6	KWA HOLA PHARMACY
7	ROY HAULIERS
8	QUALITY TRUCKS & EQUIPMENT LTD
9	MACROMEDIA LTD
10	ST. VALERIA MEDICAL CLINIC
11	MAGONGO MEDICAL STORES
12	ZEIN ENGINEERING WORK
13	PORT REITZ SCHOOL
14	RMK LUXURY COACH
15	TRICOM
16	ARUSHA GUEST
17	ACUMEN VALUERS LTD
18	TRANSOCEANIC PROJECT & DEVELOPMENT
19	NAJAM INVENSTMENTS
20	MUNGA REGISTRARS
21	KONGOA GENERAL LTD
22	AUTOSELECTION (K) LIMITED
23	KUMAR AUTOWORKS
24	OCEN DISTRIBUTORS LTD
25	ROMAGECO K LTD MOMBASA
26	INTERPLANET LOGISTICS LTD
27	MACNAUGHTON LTD
28	KANKAM EXPORTERS LIMITED
29	A I HAYANGA & ASSOCIATES
30	GENUINE FREIGHT SERVICES
31	TRIBERTO (K) LIMITED
32	ACTIVE FORWARDERS
33	HAKIMI STATIONERS
34	TECH BIZ LTD
35	INTERSAT AFRICA LTD
36	COAST METAL TRADERS
37	NEXT COMPUTERS

38	PENGUIN FOREX BUREAU
39	JIM GARMENTS
40	ETHIOPIAN LIMITED
41	CHARITIES LOGISTICS LIMITED
42	CHEVRON EXPRESS SERVICES
43	FURNITURE RAMA LTD
44	RAKAL LTD
45	WESTON LOGISTICS LTD
46	FINTBURY TRADING LTD
47	JOSNEL CHEMIST
48	TURK MOMBASA
49	MOMBASA TRUCKS AND TRAILER PARTS CENTER
50	MADWANI ENGINEERING LTD





## Appendix II: Data Collection Instrument

<b>RETURN ON ASSETS</b>	<b>INVENTORY TURNOVER RATIO</b>	<b>ACCOUNT RECEIVABLE AVERAGE</b>	<b>ACCOUNT PAYABLE AVERAGE</b>	<b>CASH MANAGEMENT</b>
0.4422	3.9243	3.7579	3.3485	0.1552
0.4422	3.5699	3.8316	4.5065	0.1318
0.3819	4.7373	3.9158	3.2129	0.1036
0.2917	4.9822	3.9106	2.5818	0.1458
0.3115	6.5769	3.9263	2.9418	0.1128
0.2816	6.0766	3.3421	3.8440	0.1128
0.2917	3.1738	3.6737	4.5743	0.1270
0.3216	6.1704	3.5789	3.9797	0.1176
0.3621	5.4460	3.7947	6.1286	0.1694
0.2411	3.5178	3.7263	4.9186	0.1128
0.3115	2.8663	3.7895	7.5682	0.1318
0.2213	5.4304	3.5474	7.4378	0.1270
0.3819	3.7419	3.0685	4.7621	0.1083
0.5530	4.7425	3.8053	6.2172	0.1742
0.4122	4.6539	3.9263	4.9759	0.1128
0.3216	6.7802	3.8947	5.5184	0.1647
0.2314	5.1958	3.6737	4.6160	0.2259
0.2512	4.8050	3.6316	3.5625	0.2259
0.2213	6.6029	3.8579	3.5937	0.1647
0.2314	3.1321	3.7210	5.4558	0.1128
0.4122	5.0864	3.6894	2.9678	0.1083
0.5732	4.4455	3.8210	2.9052	0.1083
0.3317	3.8201	3.7790	2.4932	0.0988

0.2213	5.6545	3.7579	8.1732	0.0564
0.2714	3.6481	3.4369	4.4752	0.1787
0.2314	3.1321	3.7053	6.0034	0.1176
0.5227	5.3991	3.4315	3.8910	0.2399
0.3920	3.6584	3.8579	3.4946	0.1694
0.7439	4.0077	3.8316	4.5691	0.3387
0.7743	3.9607	3.8000	3.4112	0.1742
0.9952	4.8310	3.8000	4.4804	0.8940
0.2213	5.3209	3.6421	5.3150	0.1083
0.2714	4.0598	3.9106	3.2808	0.0377
0.8143	4.2995	3.7631	7.1509	0.3152
0.3115	5.7430	3.7316	5.0802	0.0517
0.4826	6.7593	3.7105	3.2129	0.2306
0.4927	3.1894	3.5526	3.9692	0.1694
0.3819	4.6434	3.6211	8.1419	0.1505
0.4223	5.4721	3.8000	2.6444	0.2117
0.4324	4.0181	3.7368	2.6444	0.1976
0.3317	3.4865	3.4632	4.5951	0.2069
0.3317	5.9411	3.6316	7.1196	0.1929
0.7187	3.9504	3.8684	2.6914	0.2410
0.6385	5.8890	3.2368	2.6392	0.1481
0.3722	3.6272	3.5685	8.2619	0.1247
0.3819	3.2676	3.8000	4.9811	0.0988
0.3570	3.7210	3.4052	3.7815	0.1389
0.3115	5.3470	3.7842	2.4462	0.1083
0.3216	4.9822	3.4895	7.5056	0.1083
0.3368	3.1842	3.5158	6.3320	0.1199
0.3469	2.8507	3.6631	7.6203	0.1128
0.4375	4.1275	3.8421	7.7298	0.1600

0.4072	2.8507	3.7631	7.7977	0.1083
0.4624	6.6395	3.5894	7.3179	0.1247
0.3722	6.2069	3.8316	4.0110	0.1199
0.2917	5.3314	3.8000	4.1518	0.1036
0.3819	3.9034	3.7895	4.7516	0.1647
0.3469	5.9880	3.8000	7.9385	0.1083
0.4624	4.7373	3.8632	7.5787	0.1576
0.5880	3.2468	3.7421	5.8991	0.2140
0.4624	5.2480	3.2895	6.5668	0.2140
0.2917	6.2486	3.6842	3.6563	0.1576
0.2411	6.7125	3.2736	6.4937	0.1083
0.3115	3.7366	3.8842	5.0646	0.1036
0.3216	4.8103	3.8632	2.7748	0.1036
0.3216	5.0082	3.8947	8.1054	0.0941
0.6685	5.2636	3.8842	3.7084	0.0541
0.4523	5.4408	3.8000	5.7061	0.1694
0.3470	5.2957	3.4804	2.8003	0.1138
0.3280	4.8512	3.4234	3.7404	0.1148
0.2360	3.1738	3.6737	4.5743	0.1270
0.2562	6.1704	3.5789	3.9797	0.1176
0.2257	5.4460	3.7947	6.1286	0.1694
0.2360	3.5178	3.7263	4.9186	0.1128
0.4204	2.8663	3.7895	7.5682	0.1318
0.5846	5.4304	3.5474	7.4378	0.1270
0.3383	3.7419	3.0685	4.7621	0.1083
0.2257	4.7425	3.8053	6.2172	0.1742
0.2768	4.6539	3.9263	4.9759	0.1128
0.3216	6.7802	3.8947	5.5184	0.1647
0.2314	5.1958	3.6737	4.6160	0.2259

0.2512	4.8050	3.6316	3.5625	0.2259
0.2213	6.6029	3.8579	3.5937	0.1647
0.2314	3.1321	3.7210	5.4558	0.1128
0.4122	5.0864	3.6894	2.9678	0.1083
0.5732	4.4455	3.8210	2.9052	0.1083
0.3317	3.8201	3.7790	2.4932	0.0988
0.2213	5.6545	3.7579	8.1732	0.0564
0.2714	3.6481	3.4369	4.4752	0.1787
0.2314	3.1321	3.7053	6.0034	0.1176
0.5227	5.3991	3.4315	3.8910	0.2399
0.3920	3.6584	3.8579	3.4946	0.1694
0.7439	4.0077	3.8316	4.5691	0.3387
0.7743	3.9607	3.8000	3.4112	0.1742
0.9952	4.8310	3.8000	4.4804	0.8940
0.2213	5.3209	3.6421	5.3150	0.1083
0.2714	4.0598	3.9106	3.2808	0.0377
0.8143	4.2995	3.7631	7.1509	0.3152
0.3115	5.7430	3.7316	5.0802	0.0517
0.4826	6.7593	3.7105	3.2129	0.2306
0.4927	3.1894	3.5526	3.9692	0.1694
0.3819	4.6434	3.6211	8.1419	0.1505
0.4223	5.4721	3.8000	2.6444	0.2117
0.4324	4.0181	3.7368	2.6444	0.1976
0.3317	3.4865	3.4632	4.5951	0.2069
0.3317	5.9411	3.6316	7.1196	0.1929
0.7187	3.9504	3.8684	2.6914	0.2410
0.6385	5.8890	3.2368	2.6392	0.1481
0.3722	3.6272	3.5685	8.2619	0.1247
0.3819	3.2676	3.8000	4.9811	0.0988

0.3570	3.7210	3.4052	3.7815	0.1389
0.3115	5.3470	3.7842	2.4462	0.1083
0.3216	4.9822	3.4895	7.5056	0.1083
0.3368	3.1842	3.5158	6.3320	0.1199
0.3469	2.8507	3.6631	7.6203	0.1128
0.2497	3.4482	3.3381	6.0587	0.1292
0.5639	5.9439	3.0915	3.9268	0.2637
0.4230	4.0276	3.4757	3.5268	0.1863
0.8027	4.4121	3.4519	4.6111	0.3723
0.8354	4.3604	3.4234	3.4426	0.1915
1.0738	5.3185	3.4234	4.5217	0.9827
0.2388	5.8579	3.2812	5.3639	0.1190
0.2929	4.4695	3.5231	3.3110	0.0414
0.8786	4.7334	3.3903	7.2168	0.3465
0.3361	6.3226	3.3618	5.1270	0.0568
0.5207	7.4414	3.3429	3.2425	0.2535
0.5316	3.5113	3.2006	4.0058	0.1863
0.4120	5.1120	3.2623	8.2169	0.1655
0.4557	6.0243	3.4234	2.6687	0.2327
0.4666	4.4235	3.3666	2.6687	0.2173
0.3579	3.8384	3.1200	4.6375	0.2275
0.3579	6.5407	3.2717	7.1852	0.2121
0.7754	4.3490	3.4851	2.7161	0.2649
0.6890	6.4833	2.9161	2.6635	0.1628
0.4016	3.9932	3.2149	8.3380	0.1370
0.4120	3.5973	3.4234	5.0270	0.1086
0.3852	4.0965	3.0678	3.8163	0.1526
0.3361	5.8866	3.4093	2.4688	0.1190
0.3470	5.4849	3.1437	7.5747	0.1190

0.3634	3.5055	3.1674	6.3904	0.1318
0.3743	3.1383	3.3002	7.6905	0.1240
0.4721	4.5440	3.4614	7.8010	0.1759
0.4393	3.1383	3.3903	7.8695	0.1190
0.4989	7.3095	3.2338	7.3853	0.1370
0.4016	6.8332	3.4519	4.0479	0.1318
0.3147	5.8694	3.4234	4.1900	0.1138
0.4120	4.2973	3.4140	4.7954	0.1811
0.3743	6.5923	3.4234	8.0116	0.1190
0.4989	5.2153	3.4804	7.6485	0.1733
0.6344	3.5744	3.3713	5.9534	0.2353
0.4989	5.7775	2.9635	6.6272	0.2353
0.3147	6.8792	3.3191	3.6900	0.1733
0.2602	7.3898	2.9493	6.5535	0.1190
0.3361	4.1137	3.4994	5.1112	0.1138
0.4348	3.0843	3.7761	3.2867	0.1706
0.4348	2.7299	3.8498	4.4446	0.1448
0.3755	3.8973	3.9340	3.2421	0.1138
0.2868	4.1422	3.9288	2.5200	0.1602
0.3063	5.7369	3.9445	2.9709	0.1240
0.2769	5.2366	3.3603	3.7822	0.1240
0.2868	2.3338	3.6919	4.4214	0.1396
0.3163	5.3305	3.5972	3.9178	0.1292
0.3560	4.6060	3.8129	5.9763	0.1862
0.2371	2.6778	3.7446	4.8567	0.1240
0.3063	2.0263	3.8077	7.5063	0.1448
0.2176	4.5904	3.5656	7.3759	0.1396
0.3755	2.9019	3.0867	4.7002	0.1190
0.5438	3.9025	3.8235	6.1554	0.1914

0.4054	3.8139	3.9445	4.9141	0.1240
0.3163	5.9402	3.9129	5.4565	0.1810
0.2275	4.3559	3.6919	4.5541	0.2483
0.2470	3.9650	3.6498	3.5006	0.2483
0.2176	5.7630	3.8761	3.5319	0.1810
0.2275	2.2921	3.7392	5.3939	0.1240
0.4054	4.2464	3.7077	2.9060	0.1190
0.5637	3.6055	3.8392	2.8433	0.1190
0.3262	2.9801	3.7972	2.4313	0.1086
0.2176	4.8145	3.7761	8.1113	0.0620
0.2669	2.8081	3.4551	4.4134	0.1964
0.2275	2.2921	3.7235	5.9415	0.1292
0.5140	4.5591	3.4497	3.8291	0.2637
0.3855	2.8185	3.8761	3.4327	0.1862
0.7316	3.1677	3.8498	4.5072	0.3723
0.7614	3.1208	3.8182	3.3493	0.1914
0.9786	3.9911	3.8182	4.4185	0.9826
0.2176	4.4810	3.6603	5.2531	0.1190
0.2669	3.2198	3.9288	3.2189	0.0414
0.8008	3.4595	3.7814	7.0890	0.3465
0.3063	4.9031	3.7498	5.0184	0.0568
0.4746	5.9193	3.7287	3.1511	0.2535
0.4845	2.3494	3.5708	3.9074	0.1862
0.3755	3.8035	3.6393	8.0800	0.1654
0.4153	4.6321	3.8182	2.5825	0.2327
0.4252	3.1781	3.7550	2.5825	0.2173
0.3262	2.6465	3.4814	4.5333	0.2275
0.3262	5.1011	3.6498	7.0577	0.2121
0.7067	3.1104	3.8866	2.6295	0.2649



0.6279	5.0490	3.2550	2.5773	0.1628
0.3660	2.7872	3.5867	8.2000	0.1370
0.3755	2.4276	3.8182	4.9193	0.1086
0.3511	2.8879	3.3096	4.1210	0.1409
0.3063	5.6146	3.2243	3.5854	0.1304
0.3163	4.9555	3.4187	5.5213	0.1879
0.3312	3.2009	3.3571	4.4312	0.1251
0.3411	2.6081	3.4139	6.8183	0.1461
0.4302	4.9412	3.1958	6.7008	0.1409
0.4004	3.4048	2.7644	4.2902	0.1201
0.4547	4.3153	3.4282	5.6012	0.1932
0.3660	4.2347	3.5372	4.4829	0.1251
0.2868	6.1694	3.5088	4.9716	0.1827
0.3755	4.7278	3.3096	4.1586	0.2505
0.3411	4.3721	3.2717	3.2095	0.2505
0.4547	6.0082	3.4756	3.2376	0.1827
0.5782	2.8500	3.3523	4.9152	0.1251
0.4547	4.6282	3.3238	2.6738	0.1201
0.2868	4.0450	3.4424	2.6173	0.1201
0.2371	3.4760	3.4045	2.2462	0.1096
0.3063	5.1451	3.3855	7.3633	0.0626
0.3163	3.3194	3.0963	4.0318	0.1982
0.3163	2.8500	3.3381	5.4086	0.1304
0.6574	4.9128	3.0915	3.5055	0.2660
0.4447	3.3289	3.4756	3.1483	0.1879
0.3412	3.6467	3.4519	4.1163	0.3756
0.3412	3.6040	3.4234	3.0732	0.1932
0.7093	4.3959	3.4234	4.0365	0.9914
0.4799	4.8416	3.2811	4.7883	0.1201

0.8700	3.6941	3.5230	2.9557	0.0418
0.8650	3.9122	3.3902	6.4423	0.3496
0.2868	5.2257	3.3618	4.5769	0.0573
0.2868	6.1504	3.3428	2.8946	0.2557
0.7514	2.9021	3.2006	3.5759	0.1879
0.2620	4.2252	3.2622	7.3351	0.1669
0.9541	4.9792	3.4234	2.3824	0.2347
0.2868	3.6561	3.3665	2.3824	0.2192
0.2251	3.1725	3.1200	4.1398	0.2295
0.2922	5.4060	3.2717	6.4142	0.2139
0.7512	3.5945	3.4851	2.4247	0.2672
0.8879	5.3585	2.9161	2.3777	0.1643
0.8791	3.3005	3.2148	7.4433	0.1383
0.2222	2.9732	3.4234	4.4876	0.1096
0.2975	3.3858	3.0678	3.4068	0.1540
0.3280	4.8653	3.4092	2.2039	0.1201
0.3693	4.5334	3.1437	6.7619	0.1201
0.2459	2.8974	3.1674	5.7046	0.1330
0.3177	2.5939	3.3001	6.8652	0.1251
0.2257	3.7557	3.4613	6.9639	0.1774
0.3895	2.5939	3.3902	7.0250	0.1201
0.5640	6.0414	3.2337	6.5928	0.1383
0.4204	5.6478	3.4519	3.6136	0.1330
0.1252	10.1319	5.7656	3.3405	0.8143