INFLUENCE OF CURRENT ASSET STRUCTURE ON FINANCIAL PERFORMANCE OF CONSTRUCTION AND ALLIED FIRMS LISTED AT THE NAIROBI SECURITIES EXCHANGE

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DECLARATION

This research project is my original work and has not been presented for the award of a degree or any other award in any other university.

Sign __  Date: 17th NOVEMBER…2022……

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D61/5246/2017

This research project has been submitted for review with my approval as the main university supervisor.

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DEDICATION

This research project is dedicated to my family, who without their support and encouragement I would never have completed.

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LIST OF ABBREVIATIONS AND ACRONYMS

BLUE : Best Least Squares Unbiased Estimators

BSC : Balanced Scorecard

CMA : Capital Market Authority

JB : Jarque-Bera

KCB : Kenya Commercial Bank

KES : Kenya Shillings

NSE : Nairobi Securities Exchange

OLS : Ordinary Least Square

ROA : Return on Assets

ROCE : Return on Capital Employed

ROE : Return on Equity

SPSS : Statistical Package for Social Sciences

VIF : Variance Inflation Factor

ABSTRACT

The purpose of this research paper was determining the influence of current asset structure towards profitability of listed firms under category of construction and allied firms. The study measured current asset structure in terms of cash and cash equivalents, inventories, and trade and other receivables. The main goal current asset management is to ensure a steady flow of revenue. Maximum utilization and management of current assets by controlling aspects like accounts receivables, cash, as well as inventory, is strategically related to high profitability through improvement of business liquidity. Nonetheless, poor financing decisions have led to most firms' failure, which has posed a big dilemma to researchers, business managers, and investors. Such declines have been experienced by companies on Nairobi security exchange making them perform poorly. In addition, a number of them have ended up being either delisted or suspended from stock market. This study was informed by stakeholders' theory and trade-off theory. This study employed use of longitudinal study approach. The study's population comprised of the five companies which were listed on Nairobi Security Exchange under construction and allied category as at December 2021. Study collected secondary data extracted from available records of the firms under study. The study was based on a period of ten years ranging from 2012 to 2021. The research applied descriptive and regression methods in analyzing data. The study revealed that current asset influenced financial performance through firms' cash and cash equivalents. It was further established that firm size tends to have a strong control effect towards the linkage of current asset and profitability. Constructs of inventories and trade and other receivables were found to have insignificant effect towards financial performance of construction. The management of construction and allied listed firms should devise ways of intensifying short-term investment securities in terms of cash in order to ensure high credit quality.

CHAPTER ONE
INTRODUCTION

1.1 Background of the Study

The concept of current asset structure is an important subject within the broad concept of corporate governance given a central role it plays towards firms' performances (Khan, Muttakin & Siddiqui, 2013). The assets of any given company are taken to be very essential aspects as they are taken to be measures of the ability of companies' survival and enable them have a competitive edge against other firms (Gill, Nahum & Neil, 2011). Asset structure is a mechanism that has a direct link to financial performance of companies (Akinlo & Egbetunde, 2017). Kayo and Limura (2016) highlighted that current assets play instrumental role in establishing organizational performance. Flanagan (2005) indicated that the fundamental duty of each executive is to maintain the flow of current assets and make use of cashflows to maximize revenues, defining the current assets as the lifeblood of each company. Any asset in any business is equal to cash or can be converted into liquidity cash. Typically, current assets are known to be inventories of every business and accounts receivable and current investments.

According to Akben-Selcuk (2016), performance refers to the capability of businesses gaining and managing its resources differently in order to achieve a competitive edge. Many firms fail to perform well due to poor financing decisions (Chisti, Ali & Sangmi, 2013). Current asset structure is helpful within the confines of corporate governance since it is found to have a significant role in the firms' performance (Khan, Muttakin & Siddiqui, 2013). Financial performance is a critical aspect given that it acts as a gauge of determination on stability of any given company. However, poor financing decisions has led to most corporate failure which has posed as a big dilemma to researchers, business managers, and investors among others (Chisti, Ali & Sangmi, 2013).

The current study will be founded on the following theories: Firstly, the study will anchor on stakeholders' theory developed by Freeman, R. Edward (1984). The theory focused on the relevance of managers putting into consideration the connection of shareholders to stakeholders of corporations. Secondly, this study will be informed by trade-off theory which was formulated over discussion on the Modigliani-Miller

Irrelevance theorem. The trade-off theory attempted to predict the target debt ratios, which generally vary from one firm to another.

1.1.1 Current Assets Structure

The definition of current asset structure by different scholars has been based various aspects and studies' directions. Schmidt (2014) description of the indicators of current assets was in terms of cash and inventories. Martina (2015) described current asset structure to be comprised of different aspects which include components like current investments, inventories, cash in hand and cash at bank. Sheng and Zhi (2013) conceptualized the concept of current asset structure based on company's inventories, recoverable foreign exchange adjustment, trade and other receivables, current income tax, bank and cash balances, as well as short term deposits.

The key objective of current asset management is to ensure a steady flow of revenue in the balance. Proper management of current assets takes into account the non-current investment of the company. However, the current asset is essential for the measurement of firm liquidity (Matar, 2019). The value of liquidation can increase by rise in asset liquidity, that is why liquidity was previously been believed to increase debt capacity. Nevertheless, Hatta, Sunu and Ratnawati (2015) argued that a factor of asset liquidity tend to reduce the ability of a firm to issue debts security. Mwaniki and Omagwa (2017) reiterated that this kind of asset structure can act as a debt collateral, can help in reduction of risks of costs incurred by firms related to debt incurred by the creditors, as well as leading to an increment of leverages. The tangible assets' value can be as well be considered as an element which can affect the structure of firm's capital (Kayo & Limura, 2016).

1.1.2 Financial Performance

This can be described as the capacity of the company generating new capital from daily operations over time (Chipeta & Muthinja, 2018). Shareholders' income is determined by revenue growth, increased profit margins, capital structure decisions, and capital allocation decisions (Chalabi, 2020). Various analysts have used various metrics to measure the financial efficiency of companies. These aspects are major indicators considered in measuring the profitability of a firm (Brigham & Ehrhardt, 2016).

According to Selvam, Gayathr, Vasanth, Lingaraja and Marxiaoli (2016), given a vast assortment of non-financial performance measures, firm performance can be argued to be a metric subjective to multiple factors. Its description is based on its comprehensiveness since it can either be unidimensional or multidimensional. Therefore, measures of firm performance is paramount since is a gauge to ensure the continuation of firms' success. These metrics are used in quantifying the efficiency of a given firm, as well as its effectiveness on the action taken (Lau, 2015). Thus, the need for those indicators/measures to be associated to organization's mission and objectives directly by reflecting their external competitive business environment, needs of customers and objectives achieved internally. According to Kaplan and Norton (2010), the balanced scorecard (BSC) is among the key measures of organizational performance whose structural development included non-financial performance.

1.1.3 Current Asset Structure and Financial Performance

Maximum utilization and management of current assets by controlling aspects like accounts receivables, cash, as well as inventory, is strategically related to high profitability through improvement of business liquidity (Sudiyatno, Puspitasari & Sudarsi, 2017). This has implication that profitability and liquidity play a central role in most of business lives. As much as business enterprises have likelihood of surviving without even making profits, they cannot survive without liquidity (Onyango, 2014). Bolek (2014) argued that when current assets are not managed efficiently, businesses increase chances of being exposed to financial distress and therefore, declining their growth.

Firms' managers have duty of justifying investments made in terms of inventories, accounts receivable and/or cash to be able calculate the levels of current asset structure performed within a competitive business market (Rehman, Khan & Khokhar 2015). Firms are required to apply more advanced management methods at time when the levels of current assets decrease to avoid higher risks which are related to liquidity and bankruptcy (Kusuma, Santosa & Handayani, 2018). Therefore, it is important to for potential investors to analyze levels of current assets optimally before making decision of investing in a given company. In addition, lack of efficiency in management of current asset can affect the way firms utilizes their respective fixed assets being the fixed costs for businesses and this can in turn slow down returns of investments.

Yahaya, et al (2015) posits that, current assets are statistically related to return on asset in a positive manner. On different note, the study by Lydia (2018) suggested that derivative assets, together with loan advanced to clients affect return on asset negatively. Sen and Oruc (2009) indicated that there existed a negative effect of return on total assets on current asset measures like inventory time, cash conversion duration, accounts receivable period, net current asset amount, and current ratio. Furthermore, Bolek (2014) reiterated that return on asset influenced cash conversion cycle positively, and that cost of equity positively influenced return on working capital significantly.

1.1.4 Construction and Allied Firms Listed on Nairobi Securities Exchange

The listed firms under category construction and allied section, consisted of five (5) companies listed on Nairobi Security exchange as at December 2021. These include Crown paints Kenya, Athi River Mining, Bumburi Cement, East Africa cables, and East Africa Portland cement limited. According to the Nairobi Securities Exchange (NSE) annual report (2015), until the 1950s, there was informal security trading that was solely focused on gentleman's agreement. NSE was founded in 1954 on charitable stockbrokers' basis and was operating under the Societies Act. This increased NSE trading volumes and led to settlement plans using trading systems implemented in September 2006.

According to Capital Market Authority (2019) report, the NSE market recorded an increase in composite indicators like NSE All-Share by 12.27%, equivalent to 157.66 points, and NSE 20 Share 0.46% (2,846.99 points) in the closing of the first quarter in the year 2019. In addition, the subordinate bond market turnover also registered an increment of 36.75%, estimated to be KES. 161.61B worth of traded bonds, in comparison to KES. 118.17B traded in 2018, regardless of a significant improvement in the stock market between the fourth quarter in 2018 and 1st quarter in 2019, the level of overall performance in the market was found to be relatively low as compared to the year 2018, amongst varying performances of different economies of listed companies residing from various sectors.

1.2 Research Problem

According to feasibility report carried out by Association of Construction Managers of Kenya (ACMK) (2020), the construction sector has recently been experiencing difficulty in their operations due problems in financing of projects. This has been as a result of ever-changing cost of living being witnessed in the country. A report by Capital Market Authority (2019) indicated that listed firms recorded about 26% decrease in equity turnover, 21.76% decrease in the volumes traded and other composite indicators. These declines being experienced by companies on Nairobi security exchange have made them perform poorly. For instance, since the year 2007 major manufacturing companies, construction firms, supermarkets, and non-financial companies have been put under statutory as a result of serious financial problems which made them experience financial distress (Banafa, Muturi & Ngugi, 2015). A number of them have either been delisted or suspended from stock market. Poor financing decisions have led to most firms' failure, which has posed a big dilemma to researchers, business managers, and investors (Chisti, Ali & Sangmi, 2013).

Many scholars have attempted establishing the linkage of current asset structure on firms' performance, but have ended up producing mixed results. For instance, World Bank (2014) reported that non-financial institutions in emerging nations reports unsteady performance. On other hand, Akinlo and Egbetunde (2017) stated that non-financial firms in most of first world nations were attributed to decreased performances with inferior share in market prices with a reduction in the market capitalization. Other past researches have established that current asset structure affecting the financial performance both positively and negatively (Olatunji, et. al., 2014; Saleh, Priyawan & Ratnawati, 2015). Samiloglu and Demirgunes (2008) established a significant negative relationship between current assets in terms of cash conversion cycle and profit margin and cash conversion cycle and firm scale.

Locally, Mwangi, Muathe and Kosimbei (2014) established that current asset structure influenced financial performance negatively. On the other hand, a study by Kadubo, Muturi and Ngugi (2019) revealed that financial performance of companies was positively affected by current asset structure. The results suggest an inverse linkage existing between liquidity and firm performance. Wamiori, Sakwa & Namusonge (2016) on asset structure and performance indicated that performance is essential in

every enterprise manager or its owner of the interest the organizational management scholars and policymakers.

The examined literature revealed some gaps that render the results inapplicable to the current study. None of them has looked into the influence of current asset on profitability among the companies listed under category of construction and allied on NSE. Besides, most of the studies used cross-sectional research designs, with most of them being conducted in the developed countries. A longitudinal research design was used in the analysis of the current study. This research therefore attempted to fill the gap by trying to answer the question: How does current asset structure influence financial performance?

1.3 Objective of the study

The objective of the present study was to determine the influence of current asset structure on financial performance of listed companies under category of construction and allied.

1.4 Value of the Study

The study is of great importance to the regulators of listed firms to come up with the best policies and guidelines for applications in running of non-financial firms in Kenya. Regulatory bodies can use the findings of the present research in improvement of the existing frameworks regulating Kenyan listed companies. The results of the current research can also help the Capital Market Authority (CMA) to implement new set of policies and regulations that can guide the operations of the firms under investigation and many other listed firms in Kenya.

The present research has made a contribution to current theoretical and empirical literatures on the aspects of related to topical issues being studied. The study's findings have also made some contribution to the existing literature on the knowledge on current asset structure and financial performance. This research has as well pave way for further research into the variables in Kenya perspective as well as other countries. The current research specifically helped future researchers to comprehend the concepts of current asset and their how they impact the profitability of listed construction and allied companies.

The study results are of significant benefit to the relevant management of the listed construction and allied companies with appropriate insight into how the administration can manage companies' assets to improve their financial performance. Corporate managers are able to learn effective strategies for asset structure management. Investors focus on investing in companies with extraordinary future value creation with sound management policies, and this study has given insights into that.

CHAPTER TWO
REVIEW OF LITERATURE

2.1 Introduction

This chapter gives an analysis of the theoretical foundation that informed the current research. The chapter as well gives a review of the empirical literature on the subject under study. Based on investigations previously carried out by researchers concerning the topic under study, and their respective findings, as well as glaring knowledge gaps. It as well formulates a conceptual model.

2.2 Theoretical Foundation

The present research is founded on two main theories informing on the concepts of current asset structure and financial performance. These includes stakeholders' theory, and trade-off theory.

2.2.1 The Stakeholders' Theory

Freeman, R. Edward (1984) developed stakeholder theory; his point is focused on its relevance to managers of companies, with implications for the relationship between shareholders and stakeholders. According to Kock, Santalo, and Diestre (2012), if enforcement is followed, those monitoring systems hold managers individually accountable and liable in the event of misbehaviour. De Villiers and Van Staden (2011) asserts that stakeholders' theory is focused on governing organs that intervenes with viable policies which can give a particular company the energy to follow similar corporate governance practices.

This theory therefore, was linked to the constructs of current assets structure and financial performance since assets are embedded in the stakeholders of the firm. Most importantly, stakeholder theory guides in the balancing the incorporation of benefits and relationships of companies' staff, stakeholders, vendors, societies, consumers, and other business-related groups. Furthermore, the theory was in position of informing the management of listed construction and allied companies in understanding their formation of management at different levels, as well as strategic relationships.

2.2.2 The Trade-off Theory

The original version of the Trade-off theory was formulated over discussion on the Modigliani-Miller Irrelevance theorem (Mansell, 2013). Kraus & Litzenberger (1974) legally started the advantage of taxes of the debts and insolvency fines imposed on the preferences of national frameworks. The trade-off theory of leverage assumes that some of the advantages of capital structure can be maximized before an optimum capital structure is found. The theory takes into account the fact that interest on the debt (a tax benefit) is deductible. This sometimes results in a decrease in tax liability and, as a result, an increase in tax shield (Berzkaine & Zelgave, 2015).

The school of thought of Modigliani-Miller Irrelevance theorem, claimed that an optimal capital structure exists, and tries to integrate the imperfections in capital markets that Modiglian and Miller's (1958) hypotheses ignored while still retaining some of the assumptions made on market efficiency and symmetric facts. However, this theory does not attempt to explain why companies are conservative in the process of utilizing debt financing or why controlling should be consistent in many countries, although taxation structures differ (Popescu, 2009).

The theory was relevant to the current research in that it helped in predicting the linkage between current assets and firm financial performance since most firms in Kenya have been found to finance their current assets through equity. Companies' management are in position to apply this theory to increase investors' attraction, resulting in a higher stock premium or higher dividend.

2.3 Determinants of Financial Performance

Performance of firms financially can be based on a number of aspects which act as indicators of performance within firms. Some of them are discussed in this research as mentioned hereunder.

2.3.1 Management Efficiency

This is among the pivotal internal aspects used in determining profitability of a firm. Management efficiency is proxied by various financial ratios including earnings growth ratio, loan growth ratio and total asset growth ratio (Sangmi & Nazir, 2010). Nevertheless, it is perceived as one of the complexed subjects to be captured using financial ratios. Financial ratios are used to estimate the ability of firms' administration

to efficiently distributing available resources, cutting down cost of operations and maximize its income. Income ratio is among the key measures of management efficiency (Rahman, et. al. 2009). A rise in profitability to total revenue/income indicate the efficiency of firm's management in operations and income generation.

2.3.2 Assets Quality

The asset quality of an organization is found to influence its financial performance. Among the firms' assets are current asset, investments and fixed assets. Athanasoglou, et. al (2005) has argued that growth in size of firms' asset (size) is relatively linked to the firm age. In more common cases, loaning is key asset which tend to contribute immensely to shares of firms' income especially banks. Various scholars have applied different financial ratios when gauging financial performances. Asset quality is estimated based on the ratio of non-performing loan to total loan (Sangmi & Nazir, 2010).

2.3.3 Liquidity

Liquidity is an indication of the rate of debt payable annually. This kind of payments are made based on conveniently cash convertible assets or available funds. The calculation of liquidity is estimated following the ratio of existing asset to existing firm liabilities. This could be an implication that a firm has capacity of transferring its assets into currency in much more convenient manner. Strong liquidity of a firm enables it to face unpredictable circumstances and the management of responsibilities and activities undertaken in its operations (Liargovas & Skandalis, 2008)

2.3.4 Leverage

Leverage is an indicator of the rate amount of loans in investment. Therefore, organizations with higher leveraged amount are in danger of collapsing due to the fact that they might not be in position to make timely arrangements of loan payment. They might end up losing credibility in business spheres which could make them have difficulty in future loans. Leverage is as well essential in determining business performance and profitability of shareholders based on share of their capital (Amal, et. al, 2012). Leverage can be calculated by dividing debt ratio by equity ratio.

2.3.5 Firm Size

The fiscal achievement is influenced by firm's size in the market. Larger firms are in better position of exploring economies of scale than smaller ones. They tend to possess more resources that give them advantage over those with less capacity of resources. Firms in possession of less resources and with little capacities have less chances of influencing market environment unlike those commanding market with higher resources. However, improvement in performance might be a hurdle for larger firms of which could lead to their underperformance in the business environment (Majumdar, 1997).

2.4 Empirical Review

Various studies have been conducted in relationship to concepts and contexts under investigation and come up with varying empirical evidences. For instance, Falope & Ajilore (2009) used secondary data to analyze the influence of current asset management on firm returns in 50 Nigerian non-financial firms listed between 1996 and 2005. They adopted the combination of time series and cross-sectional approaches to measuring the correlation between current assets and firms' returns. The study results were compared between large and small businesses, but no significant differences were found. The existing asset management was not evaluated in this report.

Onyango (2014) research was on current assets management practices of SMEs in Kenya. The study focused on selected enterprises operating within Nairobi. The researcher adopted descriptive research and stratified sampling technique. Primary data collection was done by use of a questionnaire. It was discovered that majority of the investors had followed the current mechanisms in managing conventional liquidity of business institutions. This was realized by protection of financial records, through cash shortages supplements with loans acquired from banks, savings from daily profits and expenditure realized from financial capability.

Sen and Oruc (2009) used data from 49 listed production firms based on quarterly records from Istanbul Stock Exchange ranging from 1993 to 2007 to analyze the correlation between current asset management efficiency and profitability. The researchers determined the nexus between various aspects, particularly efficiency in management of current assets and returns, using two models. The study's results

revealed that there exists a negative effect of return on total assets on current asset measures such as inventory time, cash conversion duration, accounts receivable period, net current asset amount, and current ratio. The study had a limited sample size, but it yielded valuable findings compared and found to be comparable to those of the overall firms. However, companies in developing countries were not included in this report.

Bolek (2014) conducted research to establish the effect of working capital and return on current assets on return on equity. It was revealed that return on asset influenced cash conversion cycle positively, the results further indicated that equity costs positively influenced working capital returns an implication that there exist significant association between cash and cash equivalents, working capital, as well as management of current assets towards financial performance.

2.5 Conceptual Framework

This is a model structure used by researcher in explaining the relationship between the concepts under investigation including their measures in their natural progression (Adom et al., 2018). Figure 2.1 illustrates the main variables to be applied in the current research.

Current asset structure was applied in this study as independent variable. The indicators of current asset structure included cash and cash equivalents, inventories, and trade and other receivables. In addition, the outcome variable in the current research is financial performance and was estimated based on ROA. The present research included firm size as a control variable on the linkage of current asset and financial performance and was measured by use of log of total assets.

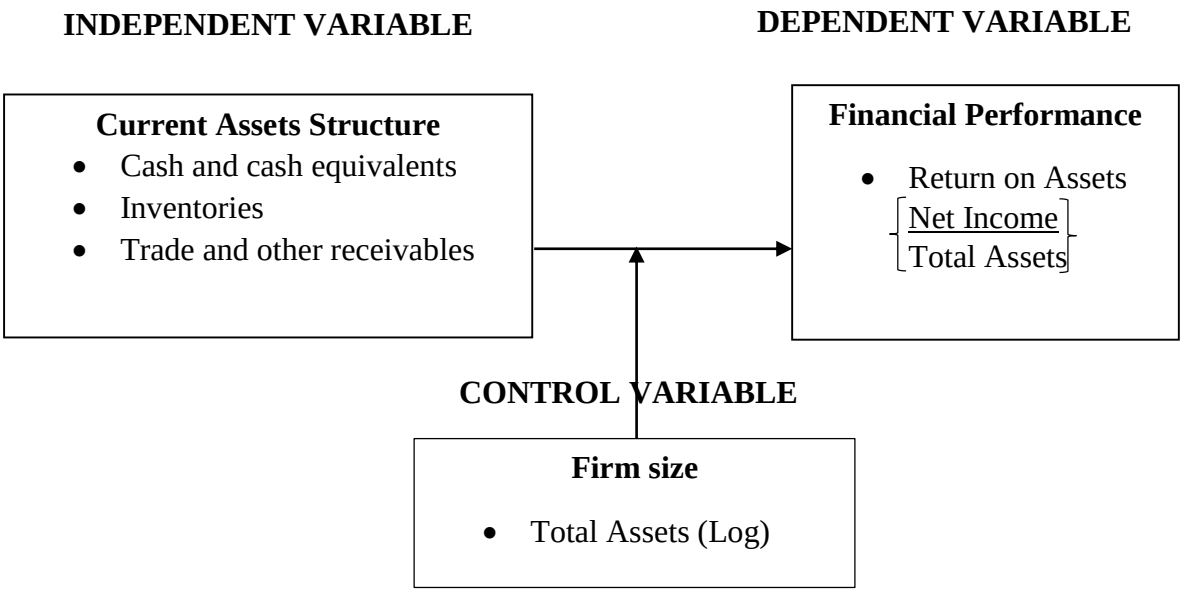


Figure 2.1: Conceptual Model

CHAPTER THREE
RESEARCH METHODOLOGY

3.1 Introduction

The chapter contains a description of the design employed in the present study, population being focused on, data gathering procedures, and methods of used to analyze data.

3.2 Research Design

This research applied a longitudinal research approach. The fundamental reason for adopting longitudinal research design is to facilitate the development of natural history about events in the life course. This type of research design is perceived to be superior compared to the cross-sectional design, which enhances some processes and causes of dynamism within individuals or even events over a certain period (Ployhart, Holtz & Bliese, 2002; Singer & Willett, 2003). Saunders, Lewis and Thornhill (2016) advocated that this kind of research design has a connection to multiple observations over a specific duration of time.

This study applied longitudinal research design since anticipates to estimate linkage of current asset towards profitability of companies listed under category of construction and allied section and which have been in operation for the last ten years ranging from 2012 to the year 2021. Therefore, the selection of longitudinal research design was based on the reality that the study considered collecting data based on a 10-year record.

3.3 Population of the Study

Kothari (2011) labelled target population of the research as that unit of analysis that researchers focus on in generalization of the study findings. Target population is the total group of items, objects, or individuals having a minimum of one common characteristic making them eligible to participate in research (Kombo & Tromp, 2006). In this case, the target population comprised of the five construction and allied companies listed on NSE as at December 2021. The companies under investigation are Crown paints Kenya, East Africa cables, East Africa Portland cement limited, Bamburi Cement, and Athi River Mining.

3.4 Data Collection

The study intends to collect secondary/panel data. The data was extracted from available records from the five companies under study. Data was collected guide by aspects of current assets displayed in data collection sheet (see Appendix I). The study was based on a time duration of ten years starting 2012 to 2021.

3.4.1 Diagnostics Tests

Diagnostic tests were done to help in making sure that the researcher achieves the "best least squares unbiased estimators (BLUE)", where the data will be checked to avoid violation. According to Hair et al. (2010), the most estimations carried out include, test of normality, test of homoscedasticity, and test of multicollinearity. In this case, the study will test for normality and multicollinearity.

It is argued that the residual normality assumption has implication in the generalization of final findings (Gujarati, 2007). Despite the fact that there exist various ways to test residual normality, the current research, diagnosed normality by use of histograms of regression standardised residuals together with the overview of financial performance statistics. Multicollinearity occurs when either two or more explanatory variables appear to have a high linear relationship (Hair et al., 2010). Multicollinearity test was essential prior to final analysis of data, due to the fact that explanatory variables with high collinearity may lead to poor estimators not following the rule of BLUE. Multicollinearity was estimated through testing variance inflation factor (VIF) together with tolerance values. It is recommended that VIF value >5 indicate existence of multicollinearity. If the problem is noted the data is standardized before fitting the model.

3.5 Data Analysis

Data collected was coded, entered, cleaned and thereafter be analyzed aided by analysis software. Descriptive statistics was conducted in estimation of the magnitude of data in terms of statistical minimum, standard deviation, maximum, and means which will then be presented inform of tables. The research was further estimated the relationship between the study variables by use of correlation and regression statistics. Firstly, the study established the influence of cash and cash equivalents, inventories, and trade and

other receivables on financial performance. This was addressed based on the following regression equation.

$$\mathbf{ROA = \alpha + \beta_1 CCE + \beta_2 IN + \beta_3 ToR + \varepsilon}$$

IN = Inventories

ToR = Trade and other receivables

CCE = Cash and cash equivalents

ROA = Return on assets (Financial Performance)

$\boldsymbol{\alpha}$ = Constant

$\boldsymbol{\beta}$ = Coefficient of regression model

$\boldsymbol{\varepsilon}$ = Error term

Secondly, this research estimated the control effect of firm size on the linkage of current asset towards profitability. In actualization of this relationship, the study applied stepwise regression analysis to be conducted in three (3) steps. In the first step, the study established the total effect of predictors on outcome variables without inclusion of the control variable as indicated in the model below.

$$\mathbf{ROA = \alpha + \beta_1 CCE + \beta_2 IN + \beta_3 ToR + \varepsilon}$$

The next step entailed assessment of the effect of predictor constructs associating the controlling variable as one of the predictor variables on the dependent variable. This was illustrated as indicated hereunder.

$$\mathbf{ROA = \alpha + \beta_1 CCE + \beta_2 IN + \beta_3 ToR + \beta_4 FS + \varepsilon}$$

Where **FS** represents firm size

The third stage examined the cross-interaction effect of the firm size with each of the independent variables under study. The study addressed this based on the following model.

$$\mathbf{ROA = \alpha + \beta_1 CCE + \beta_2 IN + \beta_3 ToR + \beta_4 FS + \beta_1 CCE*FS + \beta_2 IN*FS + \beta_3 ToR*FS + \varepsilon}$$

3.5.1 Tests of Significance

The research utilized Pearson product-moment (PPM) correlation to measure the association of two continuous variables. The range of PPM correlation statistic (*r)* is normally ranged from -1.00 and 1.00. When value of *r* is positive it indicates that an increase in Variable (X) is associated to increase of corresponding value (Y). However, when the when the *r* value was found to be negative, it indicated that when the value of one (X) variable increases, the variable (Y) decreases. The significance of the the association shall demonstrated based on ± .00 (weak) to ± .50 (strong).

Regression technique was utilized to assess the strong point of relations of outcome towards predictor variables. The variable was considered statistically significant based of *t* values and *p* values provided in the regression model. In this case, the study relied on 95% confidence interval, thus allowing an error margin of 5% (0.05). Meaning a *p* value ≤ 0.05 was interpreted to be significant, but if *p* value >0.05, then it meant otherwise.

CHAPTER FOUR

RESEARCH FINDINGS, INTERPRETATION AND DISCUSSSION

4.1 Introduction

The current chapter entails description of the data outcomes on study variables, and the average annual estimations. This chapter has correlation statistics testing the association between study variables. The study as well tested hypotheses through use of regression analysis. Furthermore, the chapter presents discussion of the study findings in comparison to other scholars' works.

4.2 Descriptive Analysis

This sub-section gives a description of the outcomes given from the analysis of the study variables. The financial performance as dependent variable was based on return on assets which was a ratio of net income/total assets. The independent variable was current asset structure estimated in terms of cash and cash equivalent, trade and other receivable and inventories. Ultimately, firm size was employed in this present research as a control variable and was estimated based on log of total assets. The section will describe the table for displaying the means, standard deviation, minimum and maximum where the all the amount were in millions. Furthermore, descriptive statistics will be presented based on mean of variables annual performance and this will be displayed graphically.

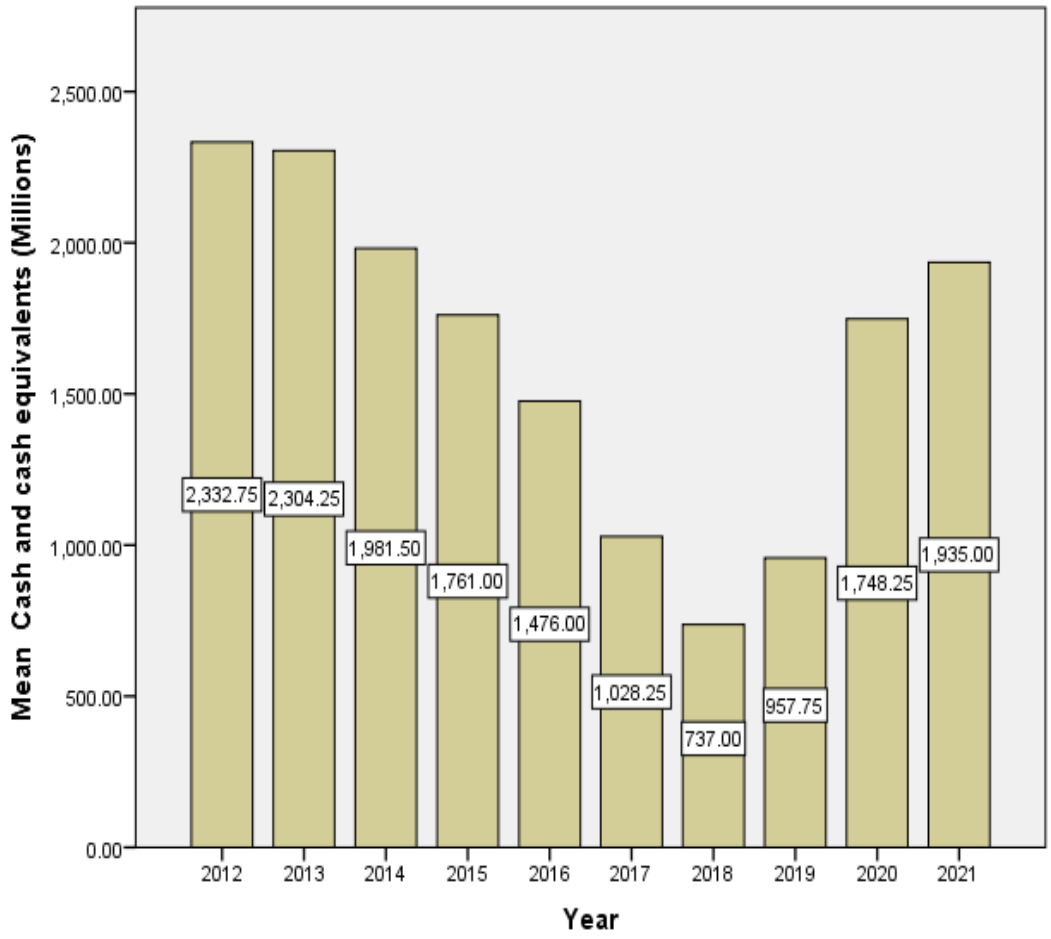
Table 4.1: Descriptive Statistics

Constructs	N	Minimum	Maximum	Mean	Std. Deviation
Net income	42	.00	7918.00	1411.1429	2141.09311
Total Assets	42	2258.00	51937.00	23658.0238	18371.02639
Cash and cash equivalents	42	.00	8876.00	1625.8095	2883.79664
Inventories	42	.00	6862.00	2449.8333	2120.11388
Trade and other receivables	42	.00	5529.00	1769.6905	1177.42728

The results displayed in Table 4.1 indicate values attained from various items under investigation, where all values were estimated in Millions. It can therefore be construed that net income had a minimum value of KES. 0.00 and highest value of KES. 7.92 billion. In a span of ten years, the average net income across all firms under study was found to be 1.41 billion. The findings have it that the minimum value of total assets was found to be KES. 2.26 billion, while the maximum value is KES. 51.94 billion. On average, the five firms listed under the category of construction and allied companies, reported mean total assets of about KES. 23.66 billion across the ten-year duration ranging from 2012 and 2021.

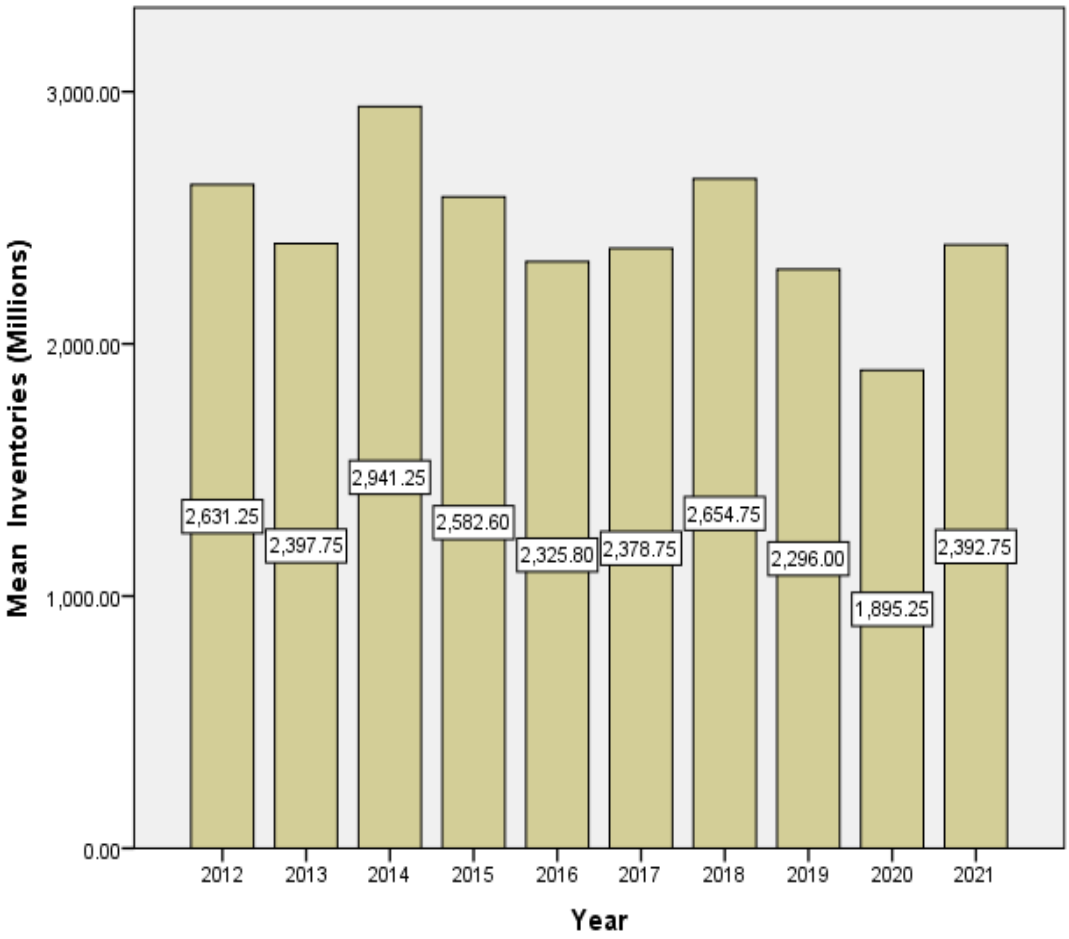
Cash and cash equivalents among the firms investigated had a minimum value of KES. 0.00 and a maximum value of KES. 8.88 billion, while reporting a mean value of KES. 1.63 billion for a period of ten (10) years. The lowest value of inventories was KES. 0.00, whereas the maximum being KES. 6.86 billion. The mean value for inventories among the construction and allied listed firms which were in operation between 2012 and 2021 was KES. 2.45 billion. Another factor tested under current asset structure was trade and other receivables which produced a lowest value of KES. 0.00, with the highest being KES. 5.53, and KES. 1.77 billion on average.

Figure 4.1: Annual Trends for Cash and Cash Equivalent



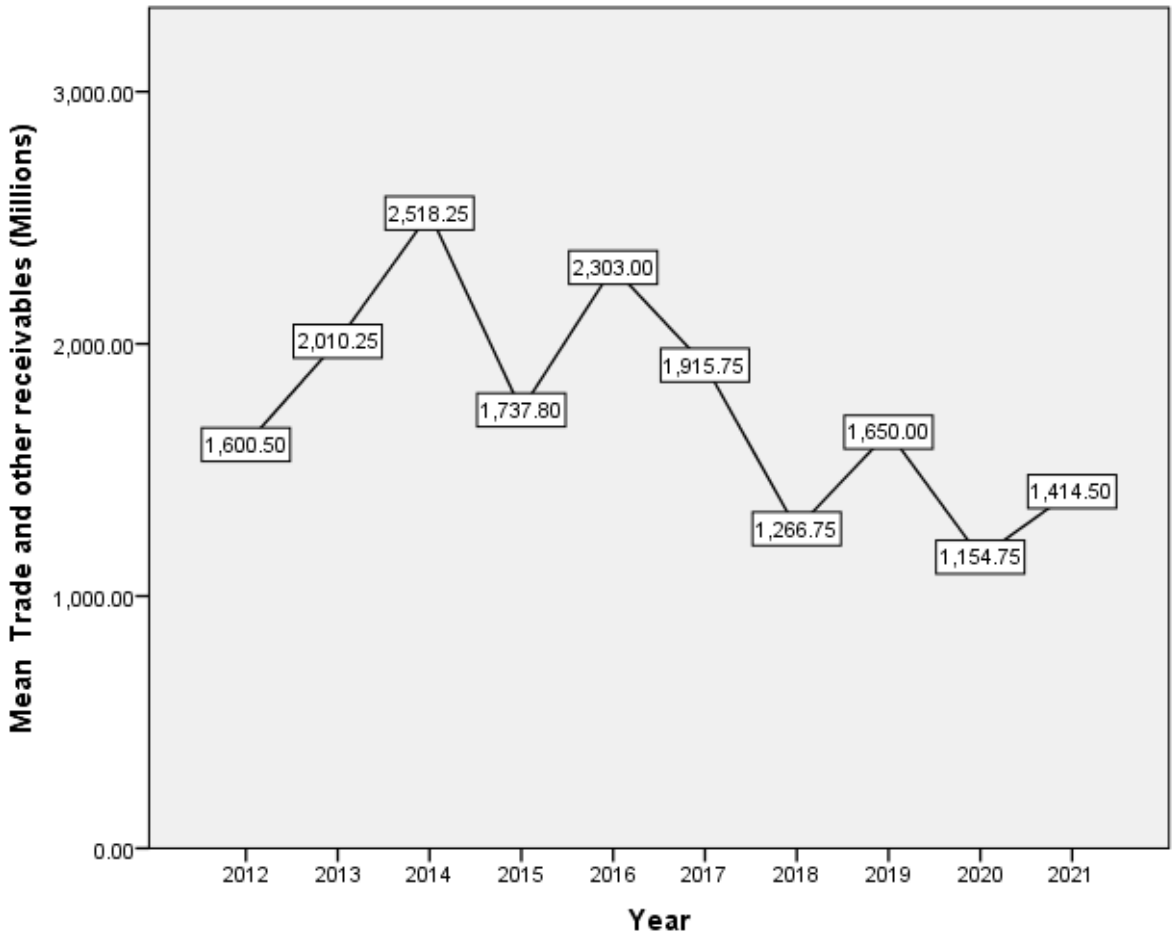
In terms of cash and cash equivalents, the construction and allied companies listed on Nairobi security exchange reported high values in the years 2012 and 2013. However, the value of cash and cash equivalents reduced drastically from 2014 to 2018 before rising steadily from 2019 to 2021. The lowest value of cash and cash equivalents was reported in 2018 as shown in the Figure 4.1.

Figure 4.2: Annual Trends for Inventories



Results displayed in Figure 4.2 on trends in inventories indicate that the value increasing and dropping across the period of ten years. The results show that the highest values were reported in 2014, 2012, and 2018 respectively. On the other hand, the lowest value on inventories was reported in the year 2020.

Figure 4.3: Annual Trends for Trade and Other Receivables



From the graphical representation (Figure 4.3) of the results on annual trends for trade and other receivables, it can be deduced that construction and allied listed firms' values were varying across the ten years where they kept on upping and downing. The results reported that the highest values in the year 2014 followed by that of 2016 while the lowest value for trade and other receivable were reported in the year 2018 and 2020.

Figure 4. 4: Annual Trends for Income

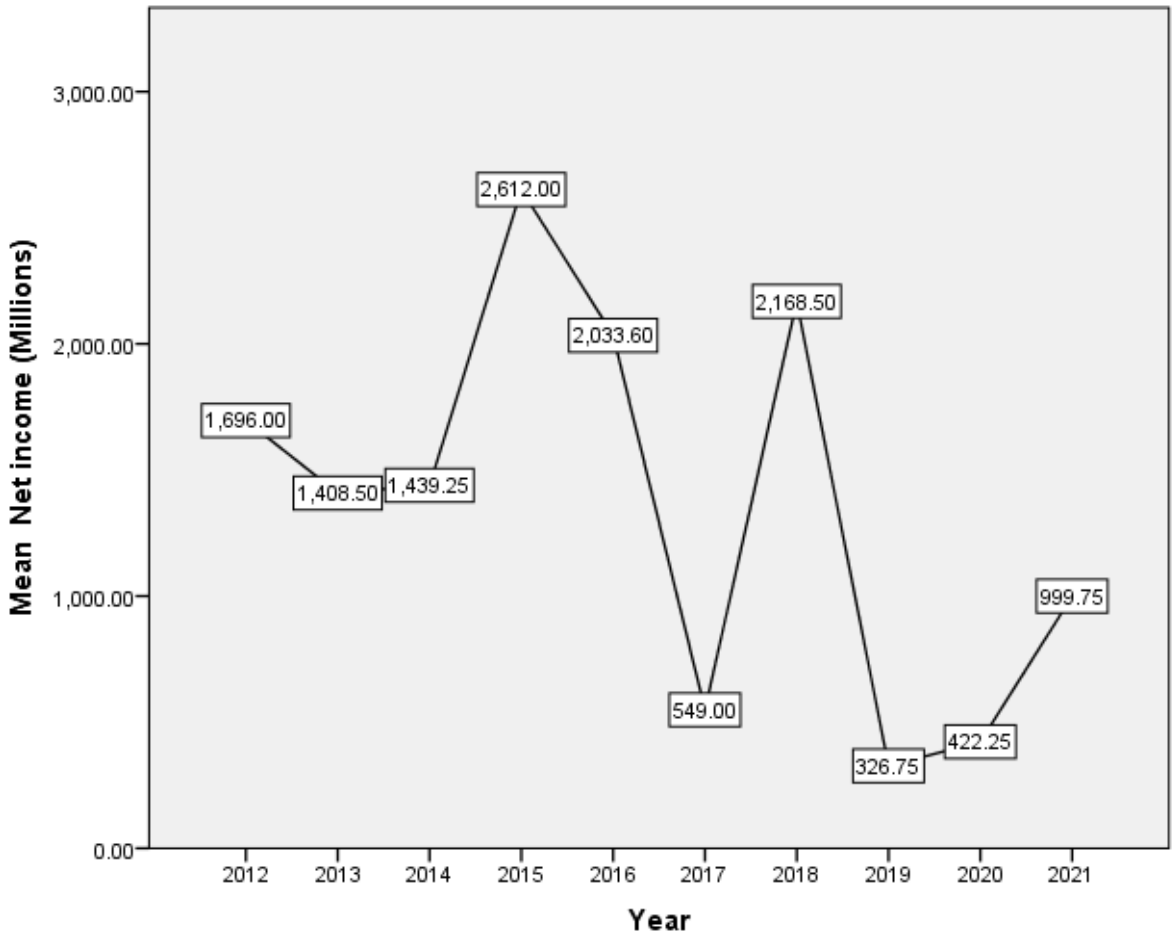
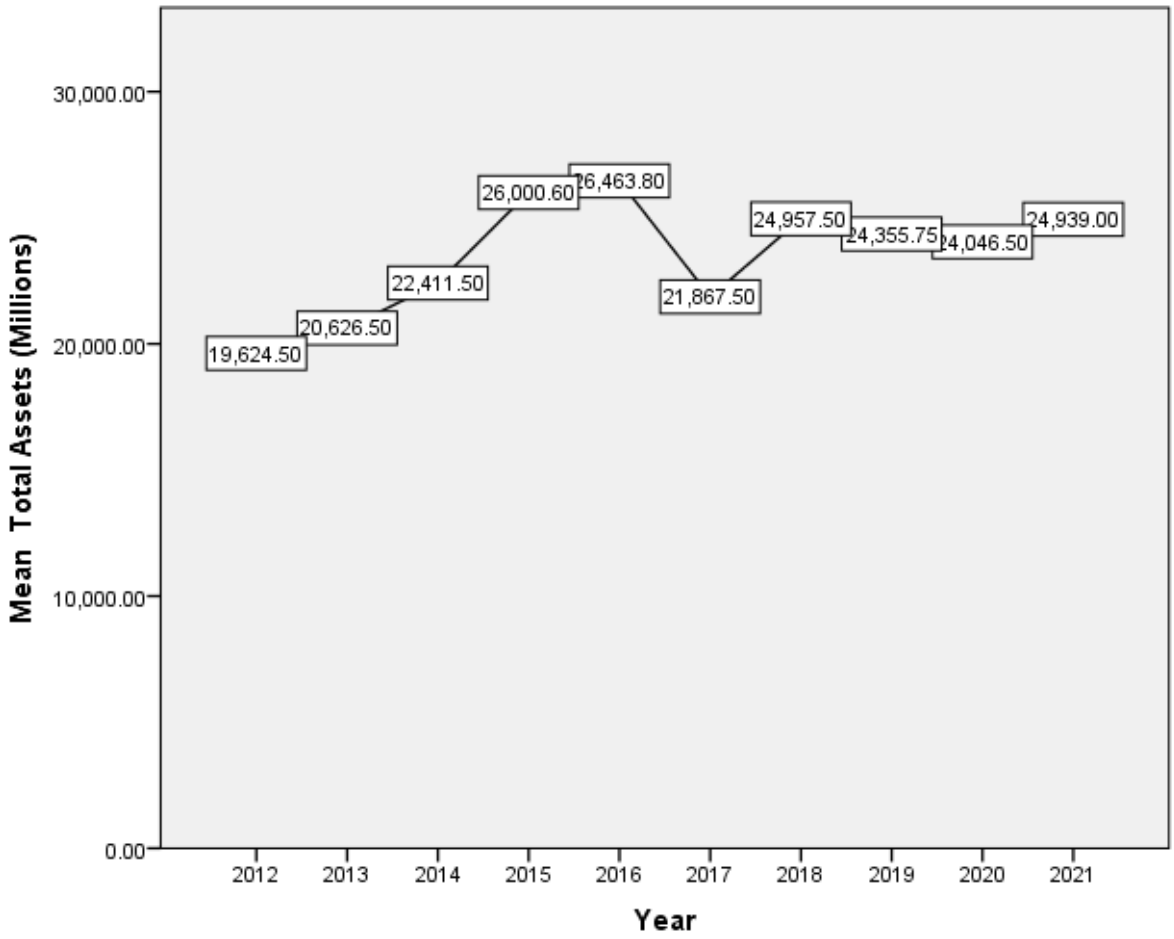


Figure 4.4 indicates unsteady distribution of profit across the years under study. Net income for construction and allied listed firms shot up in the year 2015 and dropped down sharply in the year 2017 before rising again in 2018 and dropping once again 2019 and 2020.

Figure 4.5: Annual Trends for Total Assets



Trends in total assets are as shown in Figure 4.5. It can be deduced that the value of total assets in the five construction and allied listed firms rose steadily between 2012 and 2016. The companies realized a drop in total assets in 2017, thereafter, a gradual growth between 2018 and 2021.

4.3 Correlation Analysis

Correlation was employed in this study to test the linear association between variables. The correlation r values should range between minus one (−1) and plus one (+1) where the current research relied on a confidence interval of 95%. This study estimated the degree of association between the predictors of current asset structure against financial performance in terms of return on assets and results are as provided in Table 4.2.

Table 4.2: Test of Association between Variables

Variables		1	2	3	4	5
Firm Performance (ROA) (1):	Coefficient	1				
	P – value					
	N	42				
Cash and cash equivalents (2)	Coefficient	.506**	1			
	P - value	.001				
	N	42	42			
Inventories (3)	Coefficient	.329*	.790**	1		
	P – value	.034	.000			
	N	42	42	42		
Trade and other receivables (4)	Coefficient	.099	.378*	.679**	1	
	P - value	.531	.013	.000		
	N	42	42	42	42	
Total Assets (Firm Size) (5)	Coefficient	.422**	.589**	.745**	.490**	1
	P - value	.005	.000	.000	.001	
	N	42	42	42	42	42

**. Significance level of 0.01 (2-tailed).

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

The outcomes of correlations indicate a significant positive association between financial performance (ROA) and cash and cash equivalents. It can be construed that construct of cash and cash equivalents produced a coefficient *r* value of .506 backed up with a significant *p – value* of .001 (<0.05). This could be interpreted to mean that a unit change (increase) in margin of cash and cash equivalents is statistically associated with 50.6% increase in profitability among firms listed on NSE under construction and allied in terms of return on asset.

The results have further shown that the construct of inventories have a significant association towards return on asset given an *r* value of .329 *p* - value of 0.034 (<0.05). Implying that a unit increase in current assets in terms of inventories is associated to 32.9 increment in chances of construction and allied companies making more profits. Moreover, the aspect of firm size in terms of total assets has demonstrated a positive

association towards ROA (r = .422 and p – value = 0.005). Which can also be interpreted that a unit increase in the margin firm size (total assets) can be associated with 42.2% increment in financial performance among the companies under research.

On the opposite, trade and other receivables realized an insignificant association towards financial performance. Concisely, the study assumes that current asset structure is significantly associated with firm performance through cash and cash equivalents, inventories and total assets (firm size), as opposed to trade and other receivables.

4.4 Regression Analysis

The effect of predictor variables towards dependent variable was estimated through use of regression statistics to establish the relationship between them. Where significance of the relationship was based on the p – values (≤ 0.05) and t – values (>1.96) since the study used 95% confidence interval.

4.4.1 Effect of Current Asset Structure Towards Profitability

Firstly, the study established the effect of cash and cash equivalents, inventories, and trade and other receivables on financial performance. This was addressed based on the following regression equation.

$$\mathbf{ROA = \alpha + \beta_1 CCE + \beta_2 IN + \beta_3 ToR + \varepsilon}$$

ROA meant return on assets in this case used as an estimator of profitability, CCE was a representation of cash and cash equivalents, IN stood for inventories, ToR represented trade and other receivables, α was for constant, β is equal to coefficient of regression model, while ε represented error term. The results are as provided in Table 4.3.

Table 4.3: Effect of Current Asset Structure on Financial Performance

Model Summary				
Model	R	R^2	Adjusted R^2	Std. Error of the Estimate
1	.521[a]	.271	.213	1898.91750
a. Predictors: (Constant), Trade and other receivables, Cash and cash equivalents, Inventories				
ANOVA[a]				

Model		Sum of Squares	df	Mean Square	F	*P - value*
1	Regression	50931735.44	3	16977245.15	4.708	.007[b]
	Residual	137023731.71	38	3605887.68		
	Total	187955467.14	41			

a. Outcome Variable: ROA

b. Predictors: (Constant), Trade and other receivables, Cash and cash equivalents, Inventories

Coefficients[a]

Model		Unstandardized Coefficients		Standardized Coefficients	T	*P - value*	95.0% Confidence Interval for B	
		B	Std. Error	Beta			LB	UB
1	(Constant)	1141.22	540.99		2.11	.042	46.04	2236.40
	Cash and cash equivalents	.475	.179	.640	2.65	.012	.11	.84
	Inventories	-.151	.307	-.149	-.491	.627	-.77	.47
	Trade and other receivables	-.075	.366	-.041	-.206	.838	-.82	.67

a. Outcome Variable: ROA

The model summary results on testing the influence of trade and other receivables, cash and cash equivalents, inventories on financial performance show that there is a positive correlation between the variables (R = .521) and with an R^2 of .271. The results could therefore demonstrate that, the predictor variables used in this model can only explain 27.1 percent of variation in financial performance measured through ROA. The remaining margin can be determined by different constructs (factors) which are missing in the current model. The Analysis of variance (ANOVA) results indicate whether regression is best fit for the predicting profitability firms under investigation. The results indicated that the overall model was statistically significant as *F*- statistics = 4.708 and $p = .007$ (<0.05).

The results on coefficient regression indicate that the aspect of cash and cash equivalents was the only construct that was found to have a significant effect towards profitability given a coefficient value of .475, t = 2.650, p = .012 (< 0.05). However, the results on coefficient of inventories reported a β_1 of -.151, t = .491, p = .627 (> 0.05) which seem to be statistically insignificant. Trade and other receivables as well seem to have a weak relationship towards financial performance given a beta value of -.075, t = .206, p = .838 (> 0.05). Therefore, the new regression equation for current asset structure and financial performance would state as follows:

ROA = 1141.22 + .475CCE + ε

The study therefore concluded that current asset structure influences financial performance among the listed construction and allied companies solely through cash and cash equivalents.

4.4.2 Control Effect of Firm Size on the Relationship Between Current Asset Structure and Financial Performance

The study estimated the control effect was actualized through use of stepwise regression analysis conducted in three (3) steps. In the first step, the study established the total effect of predictors on outcome variable without inclusion of a control variable as indicated in the model below.

ROA = α + β₁CCE + β₂IN + β₃ToR + ε

The results displayed in Table 4.4 revealed that only the variable of cash and cash equivalents significantly influenced profitability of firms listed in the category of construction and allied on Nairobi Security Exchange. The variables of trade and other receivables, and inventories produced weaker significance level (p = >0.5).

Table 4.4: Effect of Trade and other receivables, Cash and cash equivalents, and Inventories on Firm Performance

Model Summary				
Model	R	R^2	Adjusted R^2	Std. Error of the Estimate
1	.521[a]	.271	.213	1898.91750

a. Predictors: (Constant), Trade and other receivables, Cash and cash equivalents, Inventories

ANOVA[a]

Model		Sum of Squares	df	Mean Square	F	*P - value*
1	Regression	50931735.44	3	16977245.15	4.708	.007[b]
	Residual	137023731.71	38	3605887.68		
	Total	187955467.14	41			

a. Outcome Variable: ROA

b. Predictors: (Constant), Trade and other receivables, Cash and cash equivalents, Inventories

Coefficients[a]

Model		Unstandardized Coefficients		Standardized Coefficients	t	*P - value*	95.0% Confidence Interval for B	
		B	Std. Error	Beta			LB	UB
1	(Constant)	1141.22	540.99		2.11	.042	46.04	2236.40
	Cash and cash equivalents	.475	.179	.640	2.65	.012	.11	.84
	Inventories	-.151	.307	-.149	-.491	.627	-.77	.47
	Trade and other receivables	-.075	.366	-.041	-.206	.838	-.82	.67

a. Outcome Variable: ROA

The second step entailed assessment of impact of predictors associating the control variable (firm size) to be among the predictors on the outcome. This was guided by the following regression model.

$$\mathbf{ROA = \alpha + \beta_1 CCE + \beta_2 IN + \beta_3 ToR + \beta_4 FS + \varepsilon}$$

Where **FS** represented firm size

The results after introduction of firm size among the predictor variables of financial performance are as provided in Table 4.5. The regression output model provided an *R* value of .584, R^2 = .341). This evidence indicates that firm size, trade and other

receivables, cash and cash equivalents, inventories had a correlation of 58.4% towards financial performance and jointly were able to explain a margin of 34.1 percent of variance in profit margins of construction and allied companies listed on NSE. The overall model based on ANOVA results was statistically significant given an *F* value of 4.777, and a significant $p = 0.003$ (<0.05).

The coefficient results have indication that only cash and cash equivalents and firm size indicated statistical significance; whereby cash and cash equivalents had a $\beta = .479$, t = 2.770, $p = 0.009$ and firm size reported a $\beta = .046$, t = 1.976, $p = 0.056$. On contrary, inventories and trade and other receivables seemed not to have a significant relationship towards performance in this model as it provided weak *p* – values (>0.05). The regression findings have revealed a new model as below:

ROA = 763.16 + .479CCE + .046FS + ε

Table 4.5: Effect of Firm Size, Trade and other receivables, Cash and cash equivalents, and Inventories on Firm Performance

Model Summary				
Model	R	R^2	Adjusted R^2	Std. Error of the Estimate
1	.584[a]	.341	.269	1830.29
a. Predictors: (Constant), Firm Size, Trade and other receivables, Cash and cash equivalents, Inventories				

ANOVA[a]						
Model		Sum of Squares	df	Mean Square	F	*P - value*
1	Regression	64006246.73	4	16001561.68	4.777	.003[b]
	Residual	123949220.41	37	3349978.93		
	Total	187955467.14	41			
a. Outcome Variable: ROA						
b. Predictors: (Constant), Firm Size, Trade and other receivables, Cash and cash equivalents, Inventories						

Coefficients[a]								
		Unstandardized Coefficients		Standardized Coefficients			95.0% Confidence Interval for B	
Model		B	Std. Error	Beta	t	*P - value*	LB	UB
1	(Constant)	763.16	555.45		1.374	.178	-362.29	1888.60

	Cash and cash equivalents	.479	.173	.645	2.770	.009	.129	.829
	Inventories	-.461	.335	-.457	-1.375	.177	-1.141	.218
	Trade and other receivables	-.052	.353	-.028	-.146	.885	-.768	.664
	Firm Size	.046	.023	.396	1.976	.056	-.001	.093
a. Outcome Variable: ROA								

Step three involved examination of the cross-interaction effect of the firm size with each of the independent variables under study. The study addressed this relationship based on the following model.

$ROA = \alpha + \beta_1 CCE + \beta_2 IN + \beta_3 ToR + \beta_4 FS + \beta_1 CCE*FS + \beta_2 IN*FS + \beta_3 ToR*FS + \varepsilon$

The results revealed an R value of .877 and R^2 value of .768 therefore indicating that all the predictor variables combined with the interaction terms have ability of explaining 76.8% change in profitability of construction companies. The overall model indicates that the interaction showed significant statistics (F = 16.110, p = 0.000). Which could imply that size of firm has a strong control effect towards linkage of current asset on profitability of companies being investigated on.

When the interaction terms were included in the regression model, the beta coefficients results revealed that a decrease in inventories made in any given construction and allied company listed on NSE, tends to increase the financial performance of that particular firm by 51.6% (β = -.561, t = 2.435, p = 0.020). Similarly, the findings have shown that, a unit decrease in trade and other receivables, has a probability of increasing profitability of listed firms in the category of construction and allied by a margin of 66% (β = -.660, t = 2.257, p = 0.031). The results further indicates that firm size significantly influence financial performance (β = .048, t = 3.204, p = 0.003). Which can be interpreted in other words to mean that a unit increase in size of the firm has probability of firms listed under construction and allied increasing their profit margin by 4.8%. Nevertheless, cash and cash equivalent produced an insignificant effect towards financial performance in this case as opposed to previous models (β = .117, t = .571, p = .572).

Table 4.6: Cross-Interaction Effect of The Firm Size with Trade and other receivables, Cash and cash equivalents, and Inventories on Firm Performance

Model Summary

Model	R	R^2	Adjusted R^2	Std. Error of the Estimate
1	.877[a]	.768	.721	1131.65178

a. Predictors: (Constant), Firm Size, Trade and other receivables, Cash and cash equivalents, Inventories, ProdCCEFS, ProdINFS, ProdTORFS,

ANOVA[a]

Model		Sum of Squares	Df	Mean Square	F	*P - value*
1	Regression	144413851.690	7	20630550.241	16.110	.000[b]
	Residual	43541615.453	34	1280635.749		
	Total	187955467.143	41			

a. Outcome Variable: ROA

b. Predictors: (Constant), Firm Size, Trade and other receivables, Cash and cash equivalents, Inventories, ProdCCEFS, ProdINFS, ProdTORFS,

Coefficients[a]

Model		Unstandardized Coefficients		Standardized Coefficients	t	*P - value*	95.0% Confidence Interval for B	
		B	Std. Error	Beta			LB	UB
1	(Constant)	1357.439	373.982		3.630	.001	597.416	2117.462
	Cash and cash equivalents	.117	.206	.158	.571	.572	-.301	.536
	Inventories	-.561	.231	-.556	-2.435	.020	-1.030	-.093
	Trade and other receivables	-.660	.292	-.363	-2.257	.031	-1.254	-.066
	Firm Size	.048	.015	.416	3.204	.003	.018	.079
	ProdCCEFS	.000	.000	-1.584	-2.918	.006	.000	.000
	ProdINFS	.001	.000	2.613	3.984	.000	.000	.001
	ProdTORFS	-6.111	.000	-.167	-.544	.590	.000	.000

a. Outcome Variable: ROA

The product term of firm size and cash and cash equivalent provided a strong relationship towards profitability of construction and allied listed firms (β = .000, t = 2.918, p = .006). Likewise, the interaction term of firm size and inventories also produced a significant effect towards return on asset among firms listed at Nairobi security exchange under construction and allied category given a β of .001, t = 3.984 and p = .000. On contrary, the findings have further indicated that, the cross-interaction term between firm size and trade and other receivables seem to have a weak relationship towards financial performance of the firms under investigation, since it produced a beta value of -6.111, t = .544, p = .590). The results could therefore, mean that control effect can be realized strongly when firm size is cross-interacted with cash and cash equivalents and inventories only. The new regression model restated by the study is as stated below:

ROA = 1357.44 - .561IN - .660ToR + .048FS +.000CCE*FS + .001IN*FS + ε

CHAPTER FIVE
SUMMARY OF THE FINDINGS, CONCLUSION AND RECOMMENDATIONS

5.1 Introduction

The fifth chapter has a composition of sub-section on summary articulated from the findings. Study as well makes conclusions in reference to the major findings and ultimately giving insights on the recommendations while at the same time providing suggestions for further researches.

5.2 Summary of the Findings

The key purpose of the present research was the determination of the impact of current asset towards profitability of listed construction firms. Current asset structure was applied in this case as an independent variable whose indicators included cash and cash equivalents, inventories, and trade and other receivables. The outcome variable of the current research was financial performance which was estimated by use of ROA. The study as well included firm size as a control variable.

The descriptive statistics results have shown that in a span of ten years, the average net income across all firms under study was found to be 1.41 billion. The findings reported average total assets of approximately KES. 23.66 billion across the ten-year period of study ranging from 2012 and 2021. Cash and cash equivalents had a total mean value of KES. 1.63 billion, the inventories among the construction and allied listed firms that operated between 2012 and 2021 was KES. 2.45 billion. The study further established that trade and other receivables had a mean of KES. 1.77 billion across all the firms for ten years.

The study as well resolved to estimate the trends and ranks of constructs across the years. The results have demonstrated that cash and cash equivalents among the construction and allied companies listed on Nairobi security exchange reported high values in the years 2012 and 2013. The highest values of inventories were reported in the years 2014, 2012, and 2018 respectively. The results on annual trends for trade and other receivables indicated its highest rank in the year 2014 followed by that of 2016. Net income for construction and allied listed firms were ranked higher in the year 2015.

Furthermore, the value of total assets in the five construction and allied listed firms rose steadily between 2012 and 2016.

The correlation analysis results have indicated that, there existed a significant positive association between return on asset and cash and cash equivalents, inventories and firm size. On the other hand, trade and other receivables produced an insignificant association towards financial performance of firms under study. The output on regression findings on the effect of current asset structure on financial performance demonstrated that trade and other receivables, cash and cash equivalents, and inventories were able to explain 27.1 percent of variation in financial performance measured through ROA. The same model informed the readers that jointly, the predictor variables tested were fit given strong F – statistics and p - value. Additionally, the results on coefficient regression indicate that among the three aspects tested under current assets, only cash and cash equivalents was found to have a strong impact towards profitability of enterprises being researched on. Unlike inventories and trade and other receivables which provided a weak relationship towards financial performance.

The results on control effect of firm size on the relationship between current asset structure and financial performance were also presented. This was done through use of stepwise regression analysis which was conducted in three (3) steps. The results in the first step involving independent variables alone as predictors of financial performance revealed that only cash and cash equivalents reported strong impact on profitability of firms listed in the category of construction and allied on Nairobi Security Exchange.

Secondly, the study necessitated the assessment of the effect of predictors associating the control variable as one of the predictor variables. The results indicated that firm size, trade and other receivables, cash and cash equivalents, and inventories jointly were able to explain a margin of 34.1 percent of variance in profitability. The ANOVA results was statistically significant. The coefficient results have indication that only cash and cash equivalents and firm size indicated statistical significance. In contrast, trade and other receivables, and inventories seemed not to have a significant relationship towards performance in the second step.

Thirdly, the research examined cross-interaction effect of the firm size with each of the independent variables under study. The results emerged out showing that strong control effect was only realized when firm size is cross-interacted with the constructs of cash and cash equivalents and inventories only.

5.3 Conclusion Based on the Findings

Current asset structure significantly determines profitability among firms in construction industry. The study concludes that cash and cash equivalents is a major contributor towards profitability margin of firms listed under construction and allied in Kenya. This evidence confirms that if listed construction and allied companies manage properly their current asset structure in form of cash and cash equivalents, there is possibility of making more profits for their shareholders. These are among the short-term investments a company can venture in due to their high credit quality and at the same time which can ensure high liquidity. This revelation is a reflection that construction and allied companies were able to pay their short-term debts. An implication that profitability and liquidity play a central role in the business lives of construction and allied listed firms.

It can as well be concluded that firm size strongly controlled the relationship between current asset structure and profitability. Size of an enterprise put them in better position of exploring economies of scale. Firm size was based on the total assets owned by construction and allied firms. Firms' resources are in position of giving them an added advantage over their competitor. The study findings further revealed insignificant effect on aspects of trade and other receivables and inventories. Firms can apply more advanced management methods at time when the levels of current assets decrease to avoid higher risks which are related to liquidity and bankruptcy.

5.4 Recommendations Based on the Key Findings

The recommendations of the study are made drawn from the key findings:

Current asset structure was found to influence firms' profitability through cash and cash equivalents. The management of construction and allied listed firms should therefore devise ways of intensifying short-term investment securities in terms of cash in order to ensure high credit quality.

Trade and other receivable seem to partially influence firms' profitability. The research recommends that the management of construction and allied companies should re-examine their credit policy to focus in ensuring that the levels of trade and other receivables are decreased.

Potential investors should analyze levels of current assets optimally before making decision of investing in construction and allied companies listed on Nairobi securities exchange. This is due to the fact that current asset has be found to have a direct linkage towards organizational performance.

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APPENDIX I: DATA COLLECTION SHEET

Name of Company on NSE

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Variables	**Year of Records**									
DEPENDENT VARIABLE	**2012**	**2013**	**2014**	**2015**	**2016**	**2017**	**2018**	**2019**	**2020**	**2021**
Financial Performance										
Net Income										
Total Assets										
Return on Assets										
INDEPENDENT VARIABLE										
Current Asset										
Cash and cash equivalents										
Inventories										
Trade and other receivables										
CONTROL VARIABLE										
Firm Size										
Total assets										