

# The Comparative Study of Effective Factors on Working Capital Management based on Industry

amir bozorg panah\*,mansor molaei poor,

**Abstract** This study investigates the effective factors on working capital management in both food and drug industries among accepted companies in Tehran stock exchange. For this purpose, 12 food companies and 25 drug companies were ed during the years 2007- 2013. In this research cash conversion cycle (CCC) as the measuring index of working capital management and the effect of measured interest variables, size of company, the ratio of cash flow and the leverage of working capital management were considered. Panel data method was utilized for the analysis. After investigating the effectiveness of the variables on cash conversion cycle, the significant difference of these effects between these two industries was considered. Research finding showed that in drug industry, except the cash flow variable, other variables (measured interest, size of company, sales growth, and the leverage) have significant effects on working capital management. In food industry, except the sales growth variable, other variables (measured interest, the ration of cash flow, size of company, and the leverage) affect working capital management. Also results showed that there is not a significant difference the view point of effectiveness of variables on working capital management in two under study industries.

**Keywords :** Capital management

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