

ABSTRACT

This study investigates the working capital management practices of S.S.A Traders, a company engaged in the trading sector. Working capital management (WCM) is crucial for maintaining a firm's liquidity, operational efficiency, and financial health. Effective management ensures that a company can meet its short-term obligations and avoid financial distress, especially in the context of trading businesses that often experience fluctuating cash flow cycles. The research focuses on evaluating the strategies employed by S.S.A Traders in managing its current assets and liabilities, including inventory, receivables, payables, and cash management.

Data was collected through financial statements, interviews with key management personnel, and industry benchmarks to assess the efficiency of working capital utilization. Key performance indicators such as the current ratio, quick ratio, inventory turnover, and cash conversion cycle were analyzed to understand the company's operational performance. The study also examines the impact of working capital policies on profitability, liquidity, and overall business performance.

The findings reveal that S.S.A Traders' approach to working capital management is largely conservative, focusing on maintaining a balance between liquidity and profitability. However, inefficiencies were observed in the inventory management system and the collection cycle for receivables, which impacted cash flow. The study recommends improving inventory turnover, enhancing credit management, and leveraging short-term financing options to optimize working capital utilization.

The study concludes that effective working capital management is essential for sustaining competitive advantage and financial stability, especially for trading companies facing dynamic market conditions.