

**Title:** Cash Management and Corporate Profitability: A study of selected listed Manufacturing Firms in Nigeria.

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**Abstract:** Cash has always being disregarded in financial decision making since it involves investment and financing in short term period. However, it is an important component in firm financial management decision. This study therefore investigates empirically the relationship between cash management and profitability in listed manufacturing companies in Nigeria. Cash conversion cycle is used as the measure for cash management as used in Raheman and Nasr (2007). Current ratio, debt ratio and sales growth were used as control variables. This study utilizes secondary data while Pearson's correlation and regression analysis were used in analyzing the data for a sample of 15 listed manufacturing companies in Nigeria between 2005-2009. The results of the empirical findings show that there is a strong negative relationship between cash conversion cycle and profitability of the firms. It means that as the cash conversion cycle increases it will lead to decreasing profitability of the firms. The study therefore recommends that managers can create a positive value for the shareholders by reducing the cash conversion cycle to a possible minimum level and also accounts receivables should be kept at an optimal level. This study will also help companies in Nigeria see the need for cash management techniques.