

**FACTORS AFFECTING WORKING CAPITAL MANAGEMENT ON
INFLUENCING FINANCIAL PERFORMANCE OF TANZANIA COFFEE
BOARD**

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ABSTRACT

Working Capital Management (WCM) is an important corporate financial decision since it directly affects the profitability and liquidity of the firm. Working Capital mainly represents the current assets and Current liabilities of a firm which is the portion of financial resources of business that change from one type to another during the day-to-day execution of business. However, little consideration has been addressed in assessing the factors that affects WCM on the financial performance of non-manufacturing firms such as Tanzania Coffee Board (TCB). The objective of this study, therefore, was to analyse the factors affecting WCM to influence the financial performance of TCB. The approach used was the mixed research approach that comprises with qualitative and quantitative research methods. The study used a Concurrent Research design. This concurrent design is the mixed method way which occurs when the researcher implements both the quantitative and qualitative strands during a single phase of the research study. Census Sampling Technique is used in this study. Census Sampling is used because the researcher used the entire population which was 63 employees of TCB. Information was collected using questionnaires, and documentary review. Analysis of data was carried out using SPSS statistical packages, percentages and means as well as discussion of the findings was done basing on the Agency theory of working capital management. The results showed that factors were established at an average mean of 4 to be the factors that affects working capital management for TCB and recommendations were put forward.

KEYWORDS: *Working Capital Management, Receivable Turnover, Inventory Turnover, Leverage.*

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