

Working Capital Financing and Entrepreneurship Development : Evidence from the Indian Stock Market

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Abstract

The main objective of this study is to ascertain the impact of working capital management on selected company's performance in National stock Exchange in India. In this study employed various variables for analysis of working capital management to explore select company's performance. To assess the impact of working capital financing on entrepreneurship business development in India by employing retrospective research design and data analyses of selected companies based on the financial statements for the periods of 4 years ranging from 2014 to 2017. To examine the company's authentication through the statistical analysis of descriptive and multiple regression analysis were employed. The present study ascertained that there is a significant positive coefficient amongst working capital financing with the support of variables namely: Inventory Management, Receivable Management, Payable Management and Cash Management and Entrepreneurship Development in India.

JEL Code : G30 ; L26 ; N15

Keywords : WCM, Finance, Entrepreneurship, Business, Development, Stock Exchange, India

I. Introduction

THE FINANCE PLAYS substantial role in development of entrepreneurship, capital is the basic inevitability to establish and maintain the entrepreneurship. It is the proportion of micro, small, medium and large-scale entrepreneurship of India's liquidity and ability, but it is associated with additional characteristics of capacity to encounter its momentary commitments in development of organisation. The business environment influenced with entrepreneurial activities and proliferated significantly to the development of profit-oriented sector. Subsequently, conditions constitute with business are the foundation for the survival in long period, growth and stability in competitiveness of entrepreneurship

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Annexure I
List of Selected Companies

S.NO	Selected Companies	No of Observations
1	ABB India Ltd	6
2	ACC Ltd	6
3	Ashok Leyland Ltd	6
4	Britannia Industries Ltd	6
5	Colgate- Palmolive (India) Ltd	6
6	Aurobindo Pharma Ltd	6
7	DLF Ltd	6
8	Bharti Airtel Ltd	6
9	HCL Technologies Ltd	6
10	Page Industries Ltd	6
11	Total	600

Source: Self Computed

Annexure II

Company Name	Years	CHTA	CHSV	INVM	RECM	PAYM	CAHM	ENTD
ABB India Ltd	2014	-7.1610	-5.0000	68.57380	101.5182	53.7594	116.3326	-12.1610
	2015	-8.4530	-12.0000	68.50140	103.4995	53.5813	118.4195	-20.4530
	2016	-4.7010	-5.0000	65.88820	104.6187	51.5957	118.9111	-9.7010
ACC Ltd	2017	8.6980	1.0000	76.79170	110.8021	54.0833	133.5105	9.6980
	2014	4.7976	4.8497	104.57370	12.7676	138.4453	-21.1040	9.6473
	2015	0.9330	0.4969	66.14590	14.9885	173.3091	-92.1746	1.4299
Ashok Leyland Ltd	2016	4.9970	-7.3023	65.95590	17.7984	288.5804	-204.8260	-2.3053
	2017	10.7835	17.1051	79.08820	18.3895	333.1865	-235.7087	27.8886
	2014	-3.3572	-25.3108	3049.61149	4.2591	112.5778	2941.2927	-28.6680
Britannia Industries Ltd	2015	3.9310	26.8634	667.18990	1.1734	103.0499	565.3134	30.7944
	2016	-4.0396	31.9430	828.42540	0.2291	7.2801	821.3744	27.9034
	2017	8.0306	6.3226	1770.34360	7.0008	10.9539	1766.3904	14.3532
Colgate Palmolive India Ltd	2014	9.5904	12.3212	34.50880	6.2903	386.9362	-346.1371	21.9116
	2015	33.4817	13.7711	27.42980	3.6103	299.6699	-268.6298	47.2528
	2016	24.5845	10.7568	28.55020	4.9000	288.9468	-255.4966	35.3413
Aurobindo Pharma Ltd	2017	20.5029	9.2664	43.26720	7.5299	344.0989	-293.3018	29.7693
	2014	13.9257	12.9471	57.66830	13.4193	151.5791	-80.4915	26.8728
	2015	14.3172	10.6397	51.48870	14.9362	126.5155	-60.0906	24.9569
DLF Ltd	2016	14.2060	4.6518	58.50020	13.0783	134.3464	-62.7679	18.8578
	2017	18.8807	8.5539	58.57430	20.5189	148.2739	-69.1807	27.4346
	2014	30.4828	38.0561	190.34350	118.4715	133.0050	175.8100	68.5389
Bharti Airtel Ltd	2015	36.0877	50.4023	384.59110	105.7356	128.3030	362.0237	86.4900
	2016	21.5639	15.8938	191.10920	118.7538	143.3763	166.4867	37.4577
	2017	3.5037	7.3926	222.27500	66.3791	134.6813	153.9728	10.8963
HCL Technologies Ltd	2014	1.6744	15.7659	40.53670	148.9457	877.0009	-687.5185	17.4403
	2015	-4.2327	6.1686	54.21990	142.5535	777.1746	-580.4012	1.9359
	2016	71.5457	160.8899	128.33380	117.6913	856.3300	-610.3049	232.4356
Page Industries Ltd	2017	4.2122	-15.6320	132.21630	148.6684	2922.9024	-2642.0180	-11.4198
	2014	3.4037	960.1774	9407.04540	15.5678	450.0589	8972.5543	963.5811
	2015	341.4913	19.5334	451.44730	19.8752	370.6720	100.6505	361.0247
Aurobindo Pharma Ltd	2016	28.0921	-0.3562	51.58660	19.1477	391.6238	-320.8895	27.7359
	2017	18.3395	3.2864	245.43100	18.7687	349.9341	-85.7344	21.6259
	2014	36.6880	120.5612	1.02490	68.5938	349.2917	-279.6730	157.2492
DLF Ltd	2015	14.2132	25.4541	4.85530	71.1641	470.1773	-394.1579	39.6673
	2016	6.7642	-78.5545	9.32960	103.5094	1018.5712	-905.7322	-71.7903
	2017	21.6971	148.7712	4.68560	79.5472	1434.3958	-1350.1630	170.4683
ACC Ltd	2014	41.9407	35.0470	162.84950	22.2145	1371.7852	-1186.7210	76.9877
	2015	22.9800	29.9336	174.27440	20.6639	2276.8522	-2081.9140	52.9136
	2016	14.7206	15.3409	1823.11240	21.0956	340.4295	1503.7785	30.0615
2017	22.1652	20.4023	170.13020	3.4855	181.8183	-8.2026	42.5675	

Source: Self Computed