INVESTIGATION OF THE RELATIONSHIP BETWEEN WORKING CAPITAL MANAGEMENT AND PROFITABILITY BY ANFIS

SAMAEI RAHNI, SAEED*; VADIEI, MOHAMMAD HOSSEIN**; NAGHIBI SISTANI, MOHAMMAD BAGHER***

*MASTER OF ACCOUNTING, FERDOWSI UNIVERSITY, MASHHAD, IRAN.

**ASSOCIATE PROFESSOR, DEPARTMENT OF ACCOUNTING, FACULTY OF ECONOMICS AND BUSINESS ADMINISTRATION, FERDOWSI UNIVERSITY, MASHHAD, IRAN.

***ASSISTANT PROFESSOR, DEPARTMENT OF ELECTRICAL ENGINEERING, FACULTY OF ENGINEERING, FERDOWSI UNIVERSITY, MASHHAD, IRAN.

ABSTRACT
This study has aimed to forecast profitability and investigation of the relationship between working capital management and profitability of companies listed in the Tehran Stock Exchange by using Adaptive Neuro Fuzzy Inference System. In addition, Indicators of the receivable conversion period, Inventories conversion period and payable conversion period have been applied for the assessment of working capital management, whereas net operating income to total assets has been used for assessing the profitability of the company. In this study the selected companies was divided into 16 groups such as: (Computer and related activities, machines and electric devices - Wood and paper products - Pharmaceuticals - Oil products, refined petroleum products and nuclear fuel - Manufacturing basic metals - Sugar - Variety of foods and beverage products except for sugar -Mining of metal ores - Non-metallic mineral products - Ceramic Tiles - Vehicles and Parts Manufacturing - Rubber and Plastics - Fabricated metal products - Machineries and equipments - Chemical products - Cement, lime and plaster) during 2007 to 2012. The results of this study indicate that there is a relationship between working capital management and profitability in each of the group companies and it can predict corporate profitability based on this relationship. In this study, the working capital management indexes have been considered independently for each of the group companies.

References


