

Liquidity and Cash Management Practices of Owner-Managed Firms-A Case of South East, Nigeria

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Abstract : The survey research design was adopted to examine whether liquidity and cash management practices of owner-managed firms in South East Nigeria influence their profitability, growth and survival. Four independent variables (accounting systems, working capital management, budgetary control, and managerial planning) were used in the evaluation which was restricted to eight small firms. Results indicate that one variable, working capital management alone dominate the liquidity perception of owner managers. As a result, owner managers find it difficult to meet maturing business obligations as growth sets in. The study also reveals that the four independent variables have significant impact on the profitability, growth and survival of owner managed firms. Owner managers are therefore advised to undertake regular entrepreneurship training in order to upgrade their liquidity and cash management knowledge and practices to enhance their overall performance.

Keywords : liquidity management, owner-managed firm, profitability, survival

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