

## **The Masbate College's Experience Towards an Effective Management of Working Capital**

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### **Abstract**

The pandemic had a huge impact on the educational system in the Philippines as HEIs are mandated to suspend all face-to-face classes, significantly affecting the cash inflow and current assets of the institutions. Some HEIs decided to close while others managed to continue. Masbate Colleges, a Private Higher Education Institution registered as a stock corporation in SEC, is one of those HEIs that managed to continue their operations. Thus, the study aims to determine the effective management of the working capital of Masbate Colleges. The study utilized the cross-sectional evaluation research design, which used the Audited Financial Statements (i.e., Balance Sheet, Income Statement, and Statement of Cash Flows), authenticated by the Securities and Exchange Commission (SEC), for FY 2019 to 2021. To determine the working capital management performance of MC, trend analysis (i.e., horizontal and vertical analysis), and financial ratios pertaining to liquidity and ability to collect accounts receivables and pay-off accounts payables, are used in the study. Through this, the study shows has been effective in managing its Working Capital from 2019 to 2021. It was one of the most liquid HEIs in Masbate with ample current assets to pay off its current liabilities and maintain an outstanding level of short-term investment per outstanding share despite the pandemic. Masbate Colleges has ample Working Capital that can be liquidated in under a year to pay off its obligations every year and can be invested in different business activities to improve its services and remain competitive in the industry.

*Keywords: Strategic Management, Financial Management, Accountancy, Stakeholder's Theory, Cash Conversion Cycle, Working Capital Management, Trend Analysis, Financial Ratio, Liquidity Ratio, Industry Benchmark, Southeast Asia, Philippines, Masbate*