

## ABSTRACT

Abstract of thesis submitted to the Graduate School of Maejo University in partial fulfillment of the requirements for the degree of Master of Business Administration in Business Administration

### LIQUIDITY MANAGEMENT OF FROZEN VEGETABLE AND FRUIT INDUSTRIES IN CHIANGMAI PROVINCE

BY

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This research was conducted 1) to analyze financial liquidity and current asset management of frozen vegetable and fruit industries in Chiangmai province; and 2) to find out problems resulting from liquidity management and the ways to enhance liquidity. The population studied was 8 frozen vegetable and fruit industries in Chiangmai province. The data used was the financial budgets of those industries during the years 1994-1998 and it was then analyzed by using financial ratio to compare with industry average and the past business information.

The results were as follows:

- 1) Most businesses had low liquidity when compared with industry average.

This was due to account receivable, goods in stock and business debts. There was low account receivable; goods were sold on credit and infrequently paid for. The turnover of goods in stock was low and there was a delay in changing the current assets into cash. Most businesses had a lot of debts, leading to a burden in loan and interest repayment as well as a decrease in net profit and cash flow and low liquidity.

2) Most businesses were likely to have lower liquidity when compared with the past business information. This was due to lower account receivable, on-credit selling, and a decrease in collecting payment for sold goods. Business debts were likely to increase which caused higher interest and loan repayment. Net profit was likely to decrease, which caused low cash flow and low liquidity.