

**INFLUENCE OF CURRENT ASSETS ON FINANCIAL PERFORMANCE OF LISTED
NON-FINANCIAL FIRMS IN KENYA**

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CITATION: Kadubo, A. S., Muturi, W. & Ngugi, J.K. (2019). Influence of Current Assets on Financial Performance of Listed Non-Financial Firms in Kenya. *International Journal of Economics and Finance*. Vol. 8 (3) pp 1 – 21.

ABSTRACT

To understand how companies finance their operations, it is necessary to examine the determinants of their asset structure. In the Kenyan security market in general, the mixed asset structuring by both financial and non-financial firms listed in the Nairobi Securities Exchange significantly has led to mixed performance indices. The financial sector recorded an improvement of 16% of returns against assets while the non-financial sector recorded only 5.7% of returns against assets. This paper therefore aimed at establishing the influence of current assets on financial performance of listed firms. The study focused on non-financial firms listed in the Nairobi Securities exchange located in Nairobi. The data required for this study was from the year 2013- 2017. This period enabled the study to get sufficient information for comparison purposes. The population of the study was from all the 39 non-financial firms listed in the Nairobi securities exchange. The study used secondary panel data contained in the annual reports and financial statements of listed non-financial companies from the Nairobi Securities Exchange Hand Book 2012-2016. The study findings indicated that current assets have a positive and significant influence on financial performance of the listed non-financial firms at Nairobi Securities Exchange. However when moderated by firm size, it was established that firm size moderates how the current assets affect financial performance other than current assets. The study recommends a balance in investment in these assets in order to realize optimal financial performance.

Key Words: Assets Structure, current assets, non-financial firms, Nairobi Securities Exchange, financial performance

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