THE USV ANNALS OF ECONOMICS AND PUBLIC ADMINISTRATION | VOLUME 25, ISSUE 2(42), 2025

https://doi.org/10.4316/aepa.2025.25.2(42).234-244

VALUE ADDED TAX AS A SOURCE OF FINANCIAL RISK FOR ROMANIAN SMES: AN INTEGRATED CONCEPTUAL FRAMEWORK

Mărioara Viorica PANCIUC, Elena HLACIUC
Ștefan cel Mare University of Suceava, România
marioara.panciuc.sv@gmail.com; elena.hlaciuc@usm.ro

Received 30 September 2025; Accepted 22 December 2025

Abstract:
Value added tax is often conceptualized as a neutral fiscal instrument, but its operating mechanisms can generate significant financial effects on small and medium-sized enterprises, particularly on liquidity, cash flows, and profitability. This article aims to develop an integrated conceptual framework that explains how value added tax can be transformed from a tax obligation into a source of financial risk for SMEs. The methodology is based on a systematic analysis of the literature, combining narrative analysis with a bibliometric analysis based on publications indexed in the Web of Science database. The results indicate a predominantly macroeconomic orientation of the literature on VAT, while the microeconomic implications for the financial risk of firms are addressed in a fragmented manner. Based on this gap, the study identifies the main types of risk associated with VAT and integrates them into a conceptual matrix relevant to the financial management of SMEs.

Keywords: Value added tax, financial risk, cash-flow, liquidity, profitability, working capital.

JEL Classification: M410

1. INTRODUCTION

One of the most sustainable fiscal policy instruments adopted worldwide, under various names and forms, and the subject of many academic research studies, is the value added tax. According to the literature, it has a structure and generates effects that are much more diverse than its simple description, transposed into national legislation, as a consumption tax that participates in all phases of the economic cycle with effects felt by the final consumer. Both in Romania and throughout the European Union, value added tax is one of the main sources of tax revenue, having been introduced into national legislation by Law 130/1992, and according to official statements from the Ministry of Finance, its contribution to total tax revenue exceeds one third.

Often conceptualized as a neutral fiscal instrument, the internal functioning mechanism of value added tax can have direct implications for a company's financial position. The effects on liquidity can be felt when there are delays between the tax becoming due and the actual collection of receivables, or when advances on goods are collected, with the tax being paid before the actual purchase and delivery of the goods, as well as when stocks are written off, with the company being required to adjust the tax deducted. Cash flow may also be impacted when tax changes occur, when advances are paid, or when tax refunds are made, in which case the time taken to resolve the claim may be up to 90 days. When we talk about profitability, the most significant example is the case of certain expenses for which the tax is non-deductible or has limited deductibility, directly affecting a company's profit. Human errors are also taxed in this case, with tax authorities being able to impose, in addition to late payment interest of 0.02% per day and late payment penalties of 0.01% per day or additional penalties for non-declaration of 0.08% per day, all of which have a noticeable impact on profitability.

Consequently, to understand the effects of VAT on SME performance, (Richards & Laughlin, 1980) provide clear evidence of the importance of working capital management and the cash conversion cycle for maintaining the liquidity and financial stability of companies, proposing a fundamental conceptual framework for liquidity analysis based on the cash conversion cycle, with an

emphasis on collection periods, inventory turnover, and payment periods. Subsequent empirical research has illustrated the importance of effectively managing the relationship between working capital and profitability, effectively managing inventories and accounts receivable conversion periods, highlighting the major importance of active management in corporate financial planning (Enqvist et al., 2014). A more recent study (Afrifa & Tingbani, 2018) provides relevant empirical evidence on the importance of cash flow in assessing the association between firm performance and working capital management.

More recent studies provide solid empirical evidence on the influence of working capital on profitability, demonstrating that the effects are positive until the break-even point is reached, after which the relationship becomes erosive (Anton & Afloarei Nucu, 2020). Furthermore, contemporary literature explores various contexts of the relationship between firm performance and working capital based on the fundamental macroeconomic variables specific to each country (Kiymaz et al., 2024). The relationship between cash flow, working capital, and liquidity is also explored in depth in empirical studies, which show that cash flow has a positive but not significant impact on profitability and liquidity, while working capital has both a positive and significant impact (Tangngisalu et al., 2022).

Although there are numerous studies in the literature on working capital management and a separate, equally significant literature on value added tax, there are few studies that intertwine the two, integrating value added tax into a coherent accounting framework for the financial performance of SMEs. Most existing approaches treat this indicator either from a financial or fiscal perspective, without reconceptualizing VAT as a strategic variable for liquidity, cash flow, and profitability. This gap justifies the need for a conceptual analysis that reflects how value added tax can be viewed as an inherent tool of financial management, not just a tax obligation. The purpose of this article is to build an integrated conceptual framework that explains how value added tax can be transformed from a tax obligation into a source of financial risk for SMEs, with an impact on liquidity, cash flow, and profitability.

In order to achieve the proposed goal, this article pursues the following specific objectives:

O1: Systematization of the specialized literature on the relationship between VAT, working capital, and the cash conversion cycle in the context of SMEs.

O2: Identifying the mechanisms through which VAT generates pressure on the liquidity and cash flow of tax-compliant companies.

O3: Delineating the main types of VAT-related risks and their effects on financial indicators.

O4: Structuring the results into an integrated VAT risk matrix relevant to the financial management of SMEs.

In the current context, the literature provides relevant empirical evidence on how value added tax mechanisms can influence working capital dynamics and the cash conversion cycle. Analysis of existing studies allows for a conceptual foundation of the relationship between tax liabilities and the financial risk of SMEs, forming the basis for the risk typologies analysed below.

2. LITERATURE REVIEW

2.1 NARRATIVE ANALYSIS OF THE LITERATURE

2.1.1. Literature on liquidity and the cash conversion cycle

Modern approaches to liquidity are based on the concept of the "cash conversion cycle." A view expressed by (Gentry et al., 1990) on the cash conversion cycle focuses on the length of time funds remain tied up, developing a weighted conversion cycle that combines the timing of the flow with the amount of cash used in each segment of the cycle. Marking a critical moment for small and medium-sized enterprises, the authors capture the relationship between receivables, inventories, and trade payables, showing that liquidity depends more on the speed with which current assets are converted into cash than on their volume.

(Jose et al., 1996) emphasize the need to adopt aggressive working capital management policies with significant influences on profitability, demonstrating that a reduction in the conversion cycle duration can be correlated with a higher financial return. This idea has been expanded upon from a modern perspective proposed by (Kieschnick et al., 2013), who provide empirical evidence on the relationship between working capital management and shareholder wealth, showing that operational liquidity should not be viewed solely as a static indicator of solvency, but rather as a determinant of company value.

A more recent perspective based on an international assessment and complementing previous studies is expressed by (Baños-Caballero et al., 2020) which shows that working capital management has different effects on liquidity depending on the level of enforcement of legislation and is closely interdependent with the level of economic and financial development of countries. To analyse the link between the cash conversion cycle, working capital financing, and company performance, (Mahmood et al., 2022) used modern machine learning methods, demonstrating that financial cycle volatility is a predictor of liquidity stress. The literature converges on a central idea regarding liquidity, highlighting its dynamic nature and the need to approach it from the perspective of the duration of the financial cycle, and not just from the perspective of static indicators.

2.1.2. Literature on cash flow and working capital

Cash flow management plays an essential role in maintaining the financial sustainability of businesses, especially SMEs. A different conceptual approach is offered by (Hill et al., 2010), who analyse the behaviour of working capital and demonstrate that the level of current assets is constantly adjusted according to the optimal liquidity requirement and the volatility of operating flows.

In a more restricted context specific to small and medium-sized enterprises, (Lyngstadaas & Berg, 2016) demonstrate that the level of working capital efficiency directly impacts profitability and cash flow, with temporary gaps between receipts and payments having a stronger effect. The direct link between cash flow, working capital, and SME performance is analysed directly by (Afrifa & Tingbani, 2018), making an important contribution to the literature. They show that excessively high working capital negatively impacts cash flow and, implicitly, the performance of a company, with SMEs being extremely sensitive to cash flow variations, depending directly on self-capitalization, and the operational cycle of receivables-inventories-suppliers being the main driver of financial stability.

(Andersson et al., 2023) offer a modern perspective on the high sensitivity of investments to cash flow variations, showing that the level of financial constraints increases as access to accumulated savings decreases. Their study shows that limited access to finance and financial uncertainty accentuate SMEs' dependence on self-capitalization. The literature provides us with important empirical evidence on the essential role of working capital management, which is a central pillar of cash flow stability. This vulnerability is accentuated by the reporting obligations faced by SMEs, such as value added tax, whose impact on operating cash flows remains insufficiently analysed in the literature.

2.1.3. Literature on SME profitability and performance

A central topic in financial accounting literature, which has been the subject of many academic research studies, is the relationship between company profitability and working capital management. (Deloof, 2003) addresses this relationship, suggesting that company profitability is directly influenced by inventory levels and the level of receivables collection. The author's main conclusion is that optimizing working capital plays an essential role in financial resource management, as high inventory levels and delays in debt collection have negative effects on company profitability.

This relationship is also confirmed by (Lazaridis & Tryfonidis, 2006), who conducted a study of companies listed on the stock exchange, showing that the cash conversion cycle negatively affects the profitability of firms. The authors emphasize that an essential element in improving operational

efficiency and increasing company profitability is the ability to reduce the time between the moment of purchase, the moment of collection of receivables, and implicitly the moment of settlement of trade debts. The study concludes that profitability does not depend exclusively on structural performance indicators, but on the correct and efficient management of balance sheet assets and liabilities.

A different and modern perspective is offered by (Banos-Caballero et al., 2014), who suggest the need for an optimal level of investment in working capital that strikes a balance between costs and benefits, so that SMEs with too high a level of working capital may face resource constraints, while too low a level may create difficulties in continuing operations. This study provides significant insight into the financial risks specific to SMEs and how they shape the relationship between profitability and working capital. In addition to the above, a more recent study by (Bashir & Regupathi, 2022) analyses the differences between operational and non-operational working capital, showing that the operational component is a stronger predictor of company profitability.

Overall, the literature confirms the essential role of working capital on profitability; however, none of the studies integrate the impact of tax obligations and, implicitly, value added tax into profitability models.

2.2. BIBLIOMETRIC ANALYSIS OF THE SPECIALIZED LITERATURE

The current state of knowledge regarding the impact of the value added tax system on the economic environment was achieved based on co-occurrence networks generated in VOSviewer version 1.6.20, including an extensive set of publications indexed in the Web of Science database. The conceptual architecture in the literature on value added tax is highlighted in the visual map in (Figure 1). The central area of the network captures the core concepts associated with value added tax, while the peripheral areas highlight the connections between high-frequency terms and other research directions in the field. The seven thematic sub-maps, superimposed on the global network, allow the identification of structural research directions.

The dominant term, representing the core of the analysis, is tax evasion, which indicates that the phenomenon of value added tax is analysed through the lens of companies' financial performance and the effects that public policies have on collective behaviour. A significant number of major thematic areas are structured around this core, visually highlighted by aggregations of terms such as tax compliance, tax avoidance, tax administration, shadow economy, corruption, tax enforcement, and fiscal policy. This aggregation of terms suggests that value added tax evasion is not an isolated system, but an integral part of a complex system impacted by taxpayer behaviour, the quality of institutions, the design of fiscal policies, and the structure of national economies.

The terms tax compliance and tax morale, which are closely related to the central idea, suggest a close link between tax compliance and behavioral perspective. The presence of concepts such as ethics, trust, fairness, social norms, voluntary compliance, and behavioral economics indicates that the literature pays increased attention to the factors influencing the behaviour of economic agents. This sub-cluster provides a solid basis for how tax unpredictability can indirectly affect a company's cash flow and financial decisions.

Another equally relevant thematic group revolves around the terms tax administration and tax reform and reflects the growing interest in the literature on the digitization and modernization of tax institutions. Terms such as digitalisation, administrative data, tax reform, and machine learning place VAT in a broader context, suggesting the major importance of reforms in tax administration, generating major effects on financial flows, particularly in the case of value added tax refunds and working capital management.

Another relevant group of terms that revolve around the concept of value added tax are shadow economy, informal sector, underground economy, and corruption, connected with terms such as economic growth, inequality, redistribution, and fiscal policy, suggesting that the term tax evasion is closely related to competitiveness and company performance. In this sense, we can conclude that the profitability and stability of compliant companies feel the pressure generated by the level of corruption and the underground economy.

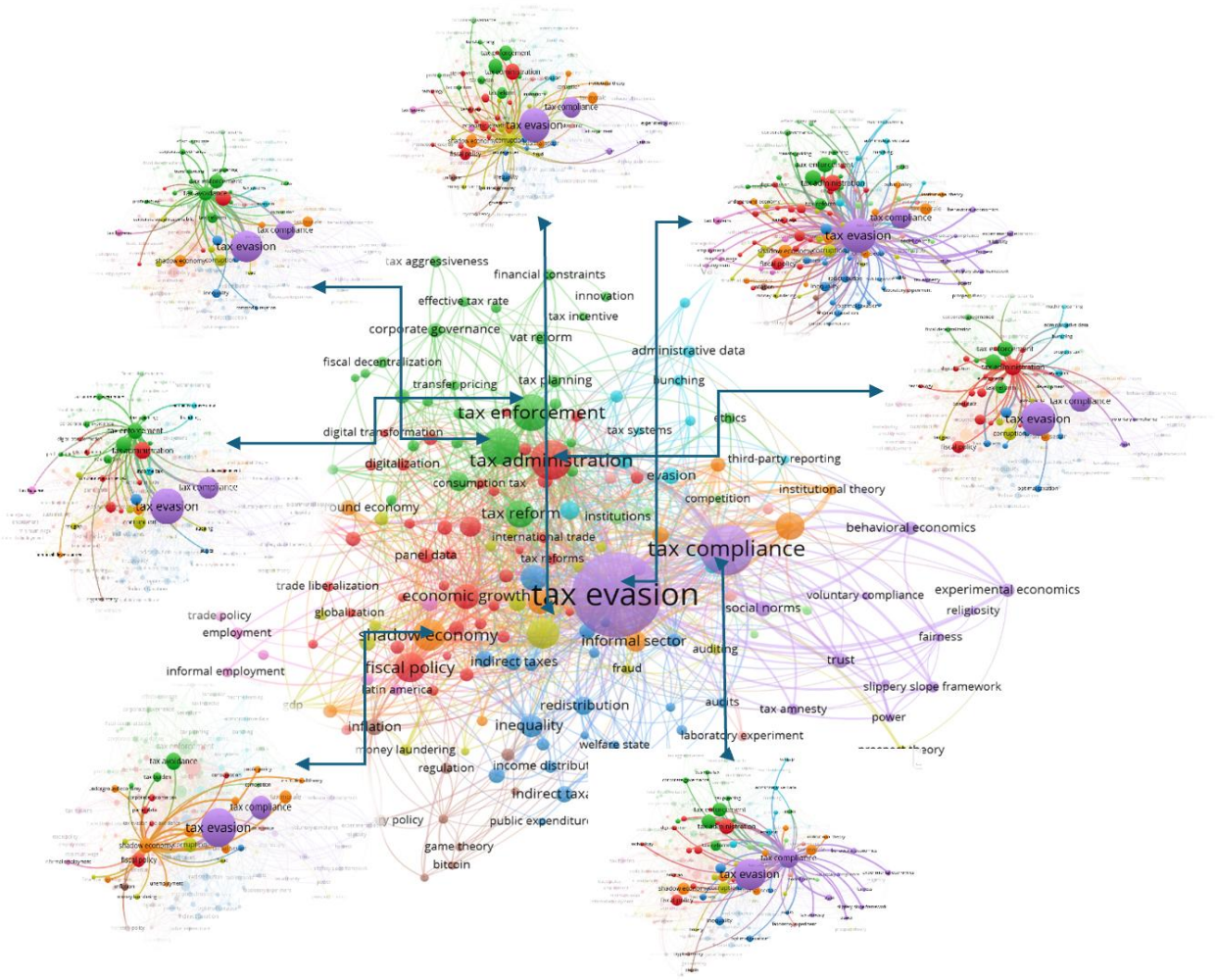

Figure 1. Keyword network

Source: Own elaboration processed using VOSviewer 1.6.20

The multidimensional nature of research on value added tax and tax evasion is supported by the intertwining of macroeconomic terms (inflation, economic growth, fiscal decentralisation) with microeconomic terms (auditing, costs, risk). Through the density of keywords and the diversity of terms present in the literature, the general cluster illustrates a mature picture of the concept of value added tax, being the result of solid interdisciplinary analyses, with direct implications for the liquidity, cash flow, and profitability of companies.

In conclusion, the general cluster places value added tax at the intersection of behavioural, institutional and structural factors, and the analysis of companies' financial performance cannot be analysed individually, as it is influenced by the fiscal context and the evolution of the VAT gap.

The results of the bibliometric analysis highlight that the literature on value added tax is dominated by macroeconomic and tax compliance perspectives, while the direct implications for the financial risk of firms are addressed in a fragmented manner. This finding justifies the need for the present integrative approach, which transposes the fiscal mechanisms of VAT into risk typologies relevant to the financial management of SMEs.

3. RESEARCH METODOLOGY

The literature search protocol was conducted in a transparent and rigorous manner, with the selection of papers not being arbitrary, but rather guided by the objectives set out above in order to capture the theoretical and empirical evolution of the impact of value added tax on liquidity, cash

flow, and profitability. To identify the literature relevant to our study, we used the Web of Science-Core Collection database, an indispensable tool for research, providing access to credible and high-quality information.

The database was queried using a combination of relevant terms, such as "value added tax," "working capital," "cash flow," "SMEs," and "financial risk," connected by Boolean operators. This query initially generated 28,271 results, reflecting the breadth and diversity of the field.

In order to narrow down the scope of the literature review, the selection was restricted to the categories of Economics, Business, Business Finance, Management, and Public Administration, resulting in a set of 5,726 articles. Subsequently, to ensure academic rigor, the analysis was limited to articles and reviews, reducing the number to 4,761 papers.

Given the evolution of tax systems, the analysis period was set for 2008-2025. The year 2008 was considered to be of utmost importance, marking the beginning of the global financial crisis, a decisive moment for redefining companies' internal organizational systems. At the same time, 2008 is also the first year in which Romania operated within the EU value added tax system. The post-2020 period is also relevant, as it is marked by the digitization of tax systems, the introduction of electronic invoicing, real-time reporting, and the development of the European Union's initiative on VAT in the Digital Age. Applying this general filter, together with the language restriction, reduced the set to 3,572 articles, which formed the core of this study.

Based on the literature reviewed and the key concepts identified through bibliometric analysis, the following section develops a conceptual analysis of the main financial risks associated with value added tax in the context of SMEs.

4. RISKS ASSOCIATED WITH VALUE ADDED TAX

1. Liquidity risk generated by temporary VAT gaps

The factor generating liquidity risk in relation to value added tax is the significant gap between the time when the tax becomes due and the time when the receivables are actually collected. Characterized by a more fragile financial structure, small and medium-sized enterprises are more vulnerable to risk due to their increased dependence on working capital to sustain their activity.

The literature confirms that small and medium-sized enterprises are dependent on cash, making them extremely vulnerable to temporary cash flow blockages. According to a study by (Padachi, 2006), the liquidity of SMEs undergoes stress when debt recovery is delayed or when the turnover rate of current assets is in a slow process. Such events are amplified and accelerated by the additional burden generated by the enforceability of value added tax, which can deepen the imbalance between receipts and payments.

Empirical analysis conducted by (Baños-Caballero et al., 2012) reinforces this perspective by demonstrating that the financial stability and performance of SMEs are closely linked to the efficient management of working capital. The ability of companies to meet their long-term obligations is directly impacted by the gaps between the conversion of current assets into cash and the enforceability of tax obligations. From a tax perspective, the need for temporary financing negatively impacts companies' cash availability for investment, production, or debt repayment, whether to suppliers or to state institutions.

The relationship between working capital, operating cash flow, and profitability is, according to (AlShattarat et al., 2010), essential for the financial sustainability of businesses. This study reveals much deeper implications, as tax liabilities become due even in the absence of actual cash inflows, creating additional pressure on cash flow.

In conclusion, the liquidity risk generated by value added tax is more than a consequence of tax compliance; it is a structural financial phenomenon.

2. Compliance risk generated by the complexity of the VAT mechanism

The compliance risk associated with value added tax stems from the high complexity of tax legislation, the rapid pace of regulatory changes, and the need for correct, compliant, and timely application of the rules for determining, declaring, and deducting VAT. The short-term financial stability of SMEs can be impacted by the unintentional occurrence of accounting errors or discrepancies between economic operations and the tax treatment applied, often generating additional obligations.

The literature emphasizes that compliance risk is not only affected by technical legislative aspects; the behaviour of economic agents and how they perceive the entire tax mechanism also play a decisive role. The study conducted by (Kirchler, 2007) highlights that the complexity of tax processes, tax rules that are often difficult to interpret, and successive legislative changes increase the risk of unintentional errors, with companies often having to manage the entire economic process simultaneously.

In the same vein (Alm & Torgler, 2011) show that a major impact of tax compliance is professional ethics, social norms, and the level of understanding of the legislation. For SMEs that do not have unlimited resources and whose accounting processes are more limited, the risk of reporting errors, incomplete declarations, or delays in reporting is imminent.

In contemporary literature, a significant contribution is made by the study (Luttmer & Singhal, 2014), which places particular emphasis on tax compliance, directly influenced by tax morale. An overly complex and unpredictable tax system, combined with key tax policy parameters such as tax rates, the probability of detection, or the penalties imposed, generates a risk of voluntary non-compliance. Trust in institutions and the clarity of the legislative system are determining factors in tax compliance, and value added tax is no exception.

Complementing the modern literature on tax compliance is the study (Slemrod, 2019), which focuses on modern tax systems, whose voluntary compliance mechanism is directly influenced by taxpayers' ability to correctly manage tax information. Errors in interpretation, as well as deficient mechanisms for transmitting tax information, generate risks of non-compliance, often resulting in tax audits, interest, and penalties.

Consequently, regulatory complexity is not a defining factor in determining compliance risk, as tax behaviour is largely influenced by the clarity of institutional procedures. For SMEs, value added tax is a complex area where the probability of errors is high, and tax compliance is an important component of risk management.

3. Operational risk on cash flow generated by the VAT mechanism

The way in which value added tax impacts a company's cash flow dynamics generates the intensity of operational risk. Unlike the risks analysed above, operational risk focuses on how value added tax changes the structure and volatility of cash flows in the operating process, interfering with the turnover rate of working capital and the need for short-term financing.

According to the literature, the level of operational risk is directly impacted by working capital behaviour. (Hill et al., 2010) highlight that a company's performance is directly influenced by the level of working capital management through the continuous adjustment of current assets and liabilities. The need for continuous working capital efficiency is closely related to the company's actual cash requirements. In the context of value added tax, tensions are amplified due to the enforceability of tax obligations regardless of the actual cash conversion cycle.

The congruence between working capital and its turnover as fundamental factors in determining a company's performance is at the core of his study (Wasiuzzaman, 2015). Disruptions in the structure of assets and liabilities primarily impact liquidity but also affect the company's ability to increase the value of its investments and generate added value. Such a structural disruption, which can create an imbalance between inflows and outflows, can be generated by the value-added tax mechanism, as the tax collected is due regardless of the level of revenue.

(Enqvist et al., 2014) address the issue of performance from the perspective of economic cycles, suggesting a close relationship between how working capital variations are managed and the phases of the economic cycle. Through its enforceability mechanisms, value added tax amplifies the volatility of the entire process, as the financial obligations it generates often do not coincide with companies' ability to generate cash.

Companies with limited access to financing generally face significant operational risks, as any pressure on cash flow can expose them to significant risk factors, according to a study by (Altaf & Shah, 2017). When these operations involve invoiced advances, delayed reimbursements, or non-deductible or limited-deductibility expenses, tax collection mechanisms amplify this volatility.

Through its effects, value added tax becomes an essential pillar of short-term financial stability and SMEs' vulnerability to cash flow disruptions.

4. Integrated matrix of risks associated with value added tax

The analysis of the risks generated by value added tax on the performance of SMEs does not manifest itself as an isolated mechanism, but rather their effects influence the financial performance of a company, being the result of the congruence between liquidity, cash flow, and profitability. In this context, an integrated approach to the risks generated is required, allowing the identification of transmission mechanisms, financial and accounting effects, as well as the associated managerial implications.

The summary of the results of the conceptual analysis developed above has been transposed into the risk matrix in Table 1, which provides a useful tool for assessing the impact of taxation on the stability and performance of SMEs. The risks associated with value added tax highlighted in the matrix have been structured according to their nature, channels of manifestation, and consequences on financial performance.

Table 1. Integrated matrix of risks associated with value added tax

Type of VAT risk	Main mechanism	Channel of manifestation	Accounting effects	Financial impact	Affected indicators	Managerial implications
Liquidity risk	VAT liability prior to collection of receivables	Time lag between tax obligations and cash flows	Increase in current liabilities (4427/4423), decrease in cash and cash equivalents	Pressure on cash flow, difficulties in meeting current obligations	Current liquidity, Immediate liquidity	VAT payment planning, receivables monitoring, VAT on collection
Operational risk on cash flow	Advance collection, deferred deductibility, deferred refunds	Distortions in operational flows	Significant variations in cash flows from operating activities and working capital	Cash flow volatility, increased short-term financing needs	Operating cash flow, change in working capital, and cash conversion cycle	Cash flow forecasting, flow synchronization, and working capital management optimization
Compliance risk	The complexity and instability of VAT legislation	Declaration and implementation errors	Tax adjustments, penalties, interest, provisions	Decrease in profits, increase in fiscal uncertainty	Result for the year and provisions	Digitization, internal controls, standardized procedures
Indirect financial risk	Costs associated with financing the tax and non-compliance	Erosion of financial efficiency	Increase in financial expenses	Decrease in profitability and company value	ROA, ROE, net margin	Cost structure optimization, risk management

Systemic risk	The cumulative interaction of VAT risks	Transverse amplification	Structural imbalances	Increased vulnerability to external shocks	Solvency, financial autonomy	Integrated financial risk management

Source: Own elaboration based on specialized literature

The matrix provides an overview of the risks associated with value added tax, illustrating that they do not operate independently but coexist and amplify each other. The congruence between liquidity, compliance, and operational risks generates significant financial imbalances for the performance and sustainability of companies. Value added tax is an extremely important pillar, and its integration into financial risk management and working capital management policies is imminent.

5. CONCLUSIONS AND DISCUSSIONS

The analysis carried out in this study highlights the need to reconsider the role of value added tax from the perspective of its financial impact on small and medium-sized enterprises. Although VAT is often perceived as a neutral fiscal instrument, its operating mechanisms can place significant constraints on liquidity and operating cash flows, indirectly influencing the level of profitability and financial stability of firms.

The results of the theoretical synthesis indicate that the time lags between VAT liability and the moment of collection, as well as delays associated with reimbursement processes, can amplify the pressure on SMEs' cash flow. These dysfunctions contribute to an increase in short-term financing needs and increase the vulnerability of firms to operational shocks. In this context, VAT-related risks manifest themselves in multiple forms, including liquidity risk, operational risk on cash flow, compliance risk, and cumulative financial effects.

The theoretical contribution of the study consists in integrating these dimensions into a unified analytical framework, which allows the correlation of VAT-related tax obligations with the mechanisms of financial risk transmission at the microeconomic level. The proposed conceptual matrix highlights the fact that VAT-related risks do not act independently, but interact and reinforce each other, generating financial imbalances that can affect the sustainability of SMEs.

From a managerial perspective, the conclusions suggest that value added tax management must go beyond tax compliance and be integrated into financial planning, liquidity control, and working capital management processes. Systematic monitoring of cash flows, correlating tax obligations with the operating cycle, and using digital reporting tools can help reduce exposure to identified risks.

The limitations of the study are determined by its conceptual nature, without empirical testing of the identified relationships. Future research may focus on validating the proposed framework through quantitative analyses at the firm level, as well as assessing the impact of digital transformation in the tax field on the financial risk profile of SMEs.

REFERENCES

1. Afrifa, G. A., & Tingbani, I. (2018). Working capital management, cash flow and SMEs' performance. *International Journal of Banking, Accounting and Finance*, *9*(1), 19–43.
2. Alm, J., & Torgler, B. (2011). Do ethics matter? Tax compliance and morality. *Journal of Business Ethics*, *101*(4), 635–651.
3. AlShattarat, W. K., Nobanee, H., Haddad, A. E., & Al Hajjar, M. (2010). Working capital management, operating cash flow and corporate performance. *AlShattarat, WK, Nobanee, H., Haddad, AE, AlHajjar, M.(2010). Working Capital Management, Operating Cash Flow and Corporate Performance. International Journal of Strategic Management*, *10*(1), 84–88.

4. Altaf, N., & Shah, F. (2017). Working capital management, firm performance and financial constraints: Empirical evidence from India. *Asia-Pacific Journal of Business Administration*, *9*(3), 206–219.
5. Andersson, M., Eklund, J. E., & Tsvetkova, A. (2023). Spatial variations in financial constraints of SMEs—Evidence from firm-level estimates of investment-cash flow sensitivities in Sweden. *Small Business Economics*, *60*(4), 1683–1698.
6. Anton, S. G., & Afloarei Nucu, A. E. (2020). The impact of working capital management on firm profitability: Empirical evidence from the Polish listed firms. *Journal of Risk and Financial Management*, *14*(1), 9.
7. Baños-Caballero, S., García-Teruel, P. J., & Martínez-Solano, P. (2012). How does working capital management affect the profitability of Spanish SMEs? *Small Business Economics*, *39*(2), 517–529.
8. Banos-Caballero, S., Garcia-Teruel, P. J., & Martinez-Solano, P. (2014). Working capital management, corporate performance, and financial constraints. *Journal of Business Research*, *67*(3), 332–338. https://doi.org/10.1016/j.jbusres.2013.01.016
9. Baños-Caballero, S., García-Teruel, P. J., & Martínez-Solano, P. (2020). Net operating working capital and firm value: A cross-country analysis. *BRQ Business Research Quarterly*, *23*(3), 234–251.
10. Bashir, R., & Regupathi, A. (2022). Aggregate and disaggregate measures of operating and non-operating working capital influence on firm performance: Evidence from Malaysia. *International Journal of Banking and Finance (IJBF)*, *17*(1), 1–26.
11. Deloof, M. (2003). Does working capital management affect profitability of Belgian firms? *Journal of Business Finance & Accounting*, *30*(3-4), 573–588.
12. Enqvist, J., Graham, M., & Nikkinen, J. (2014). The impact of working capital management on firm profitability in different business cycles: Evidence from Finland. *Research in International Business and Finance*, *32*, 36–49.
13. Gentry, J. A., Vaidyanathan, R., & Lee, H. W. (1990). A weighted cash conversion cycle. *Financial Management*, 90–99.
14. Hill, M. D., Kelly, G. W., & Highfield, M. J. (2010). Net operating working capital behavior: A first look. *Financial Management*, *39*(2), 783–805.
15. Jose, M. L., Lancaster, C., & Stevens, J. L. (1996). Corporate returns and cash conversion cycles. *Journal of Economics and Finance*, *20*(1), 33–46.
16. Kieschnick, R., Laplante, M., & Moussawi, R. (2013). Working capital management and shareholders' wealth. *Review of Finance*, *17*(5), 1827–1852.
17. Kirchler, E. (2007). *The economic psychology of tax behaviour*. Cambridge university press.
18. Kiymaz, H., Haque, S., & Choudhury, A. A. (2024). Working capital management and firm performance: A comparative analysis of developed and emerging economies. *Borsa Istanbul Review*, *24*(3), 634–642.
19. Lazaridis, I., & Tryfonidis, D. (2006). Relationship between working capital management and profitability of listed companies in the Athens stock exchange. *Journal of Financial Management and Analysis*, *19*(1).
20. Luttmer, E. F., & Singhal, M. (2014). Tax morale. *Journal of Economic Perspectives*, *28*(4), 149–168.
21. Lyngstadaas, H., & Berg, T. (2016). Working capital management: Evidence from Norway. *International Journal of Managerial Finance*, *12*(3), 295–313.
22. Mahmood, F., Shahzad, U., Nazakat, A., Ahmed, Z., Rjoub, H., & Wong, W.-K. (2022). The nexus between cash conversion cycle, working capital finance, and firm performance: Evidence From Novel Machine Learning Approaches. *Annals of Financial Economics*, *17*(02), 2250014.

23. Padachi, K. (2006). Trends in working capital management and its impact on firms' performance: An analysis of Mauritian small manufacturing firms. *International Review of Business Research Papers*, *2*(2), 45–58.
24. Richards, V. D., & Laughlin, E. J. (1980). A cash conversion cycle approach to liquidity analysis. *Financial Management*, 32–38.
25. Slemrod, J. (2019). Tax compliance and enforcement. *Journal of Economic Literature*, *57*(4), 904–954.
26. Tangngisalu, J., Halik, A., Marwan, M., & Jumady, E. (2022). Effect of Cash Flow and Working Capital on Liquidity: The Mediation Role of Profitability. *Atestasi: Jurnal Ilmiah Akuntansi*, *5*(2), 426–439.
27. Wasiuzzaman, S. (2015). Working capital and firm value in an emerging market. *International Journal of Managerial Finance*, *11*(1), 60–79.