
Cash Flow Statement Analysis as a Tool for Assessing Liquidity and Financial Health: Evidence from El-Aurassi Hotel (2014–2023)

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Abstract:

This study investigates how the cash flow statement assesses liquidity and financial health between 2014 and 2023, addressing limited understanding of its analytical role. Focusing on El Aurassi Hotel, it examines operating cash flows' implications for stability, financial risk, and decision-making. Employing a case study methodology, financial statement analysis, and correlation analysis, it evaluates operating, investing, and financing cash flows alongside key financial indicators. Findings revealed that El-Aurassi Hotel's operational cash flows fluctuated sharply, reflecting managerial and environmental impacts. Despite pre-2018 strength, post-pandemic recovery remains partial. Investment cash flows showed inefficient capital allocation, while financing flows indicated persistent deficits and debt reliance. Overall, weak liquidity management and bounded rationality limited financial stability and sustainability. The Quick Ratio showed a moderately positive correlation (+0.541) with cash flows, while Cash Turnover (-0.286), Interest Coverage (-0.062), and Debt-to-Equity (-0.286) showed weak negative relations.

Key words: Cash flow statement ; Liquidity management ; Financial health ; Operating cash flows ; El-Aurassi Hotel

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Introduction :

A cash flow statement is one of the most important financial statements (Iowa State University Extension and Outreach, 2023). It plays a vital role in portraying a company's liquidity, solvency, and ability to generate sustainable cash flows (Paolone, 2020, p. 14). This statement can vary in complexity, from a simple one-page analysis to more detailed schedules feeding into a central document (Iowa State University Extension and Outreach, 2023).

In particular, the cash flow statement details cash inflows and outflows, offering a clear demonstration of an entity's liquidity, whereas the income statement focuses on profitability (Iowa State University Extension and Outreach, 2023). It is also a vital tool for measuring the financial strength of a business (Iowa State University Extension and Outreach, 2023). Liquidity itself is a critical concept in finance, serving as a key indicator of a company's financial health and stability, and playing a significant role in decision-making within financial and corporate settings. Liquidity influences a firm's ability to overcome financial challenges and capitalize on economic opportunities (Munich Business School, 2025).

Cash flow and liquidity management are integral to a company's financial stability, ensuring its capacity to meet both short-term obligations and long-term growth targets. Effective cash flow management allows businesses to cover daily operational costs such as salaries, rent, and utilities, while avoiding disruptions in challenging times. Beyond basic operations, it plays a critical role in maintaining liquidity, which is essential for sustaining operational stability. A steady cash flow also facilitates reinvestment into growth areas like marketing, hiring, and infrastructure—key components for expansion and diversification. By managing cash flow effectively, businesses reduce financial stress, minimize short-term borrowing needs, lower borrowing costs, and enhance creditworthiness. This holistic approach to financial management not only improves decision-making but also enhances financial visibility, builds investor confidence, and helps businesses strategically capitalize on available opportunities for future growth.

The cash flow statement is regarded as a vital tool for assessing a company's financial health and decision-making capabilities. Unlike the income statement, which focuses on profitability, the cash flow statement provides a clearer picture of a company's ability to meet its short-term obligations. Even profitable companies may face liquidity challenges if cash flow is not managed effectively. Moreover, the cash flow statement highlights operational efficiency, as persistent negative cash flow from operations can point to underlying issues or inefficiencies within the business model. It also serves as a critical resource for investors, helping them evaluate the long-term sustainability of a company, as positive and consistent cash flow signals stable performance. Furthermore, the cash flow statement enhances transparency by illustrating the firm's ability to service debt and distribute dividends, thus strengthening stakeholder trust in its financial management (Filipova et al., 2025, p.4)

This statement holds particular significance in institutions that heavily depend on cash flows to support daily operations and future growth, such as hotels and service-oriented businesses. In these environments, liquidity is essential for ensuring business continuity, safeguarding institutional reputation, and meeting customer demands promptly. Moreover, evaluating the financial position of such an institution cannot rely solely on asset volume or revenue figures. It requires a comprehensive assessment of cash inflows and outflows, ensuring a balance between the two and analyzing the sources and uses of funds—a process effectively captured by the statement of cash flows.

In this context, the current study aims to explore the importance of utilizing the cash flow statement as an analytical tool for assessing both liquidity and overall financial health. This will be achieved through a case study of El Aurassi Hotel, a prominent classified hotel in Algeria.

In line with the main objective of this study, which is to examine the impact of operating cash flow management on the liquidity and financial health of El-Aurassi hotel, three hypotheses were formulated :

-The first hypothesis (**H₁**): Effective management of operating cash flows has a significant impact on improving the hotel's operational efficiency.

-The second hypothesis (**H₂**): Improved management of operating cash flows positively affects the hotel's liquidity.

-The third hypothesis (**H₃**): Effective management of operating cash flows contributes to enhancing the hotel's overall financials health.

These hypotheses aim to clarify the extent to which operational cash flow practices can influence key dimensions of financial performance within the hospitality sector

The remainder of the paper is structured as follows. Section I outlines the theoretical framework and reviews the related studies, including the main concepts relevant to this study, while Section II presents an institutional overview of Chaîne El-Aurassi. Section III provides and discusses the empirical results. Finally, Section IV concludes the study and offers policy recommendations.

I- Theoretical Framework and Review of Related Studies

1. Key Terms: Cash Flow Statement, Liquidity and Financial position

1.1. Cash Flow Statement

The statement of cash flows is designed to provide users of financial statements with a basis for evaluating an entity's ability to generate cash and cash equivalents, as well as insights into the utilization of these cash flows (Journal Officiel de la République Algérienne, 2009, p. 22). It categorizes cash inflows and outflows during the reporting period according to their origin, as follows:

- Cash flows from operating activities (activities that generate revenue and other operations not related to investment or financing);
- Cash flows from investing activities (cash outflows for acquisitions and inflows from disposals of long-term assets);
- Cash flows from financing activities (activities that alter the size and structure of the entity's equity or borrowings);
- Cash flows related to interest and dividends, which are presented separately and consistently classified from one reporting period to another under operating, investing, or financing activities (Journal Officiel de la République Algérienne, 2009, p. 22).

1.2. Liquidity

Liquidity refers to the ability of a company or an individual to settle short-term liabilities easily and on time. It reflects how quickly and efficiently assets can be converted into cash without losing significant value. In a business context, liquidity refers to the availability of means of payment, such as cash and bank balances, and the ability to mobilize these funds in a timely manner (Munich Business School, 2025). Mainly, there are three forms of liquidity: Company liquidity, Market liquidity and Bank liquidity.

1.3. Financial position

Smith, Chen, and Anderson (2015) stated that "Financial position refers to the economic state of a firm as represented by its balance sheet at a specific point in time. It captures the firm's assets, liabilities, and equity—providing insight into its solvency, liquidity, and overall financial health. This position is critical in determining how firms adjust their capital structure and investment decisions".

2. Review of Related Empirical Studies

Rashid and Anissa (2024) conducted a study examining the informational importance of cash flow statements in assessing financial liquidity within the context of Iraqi banks, specifically focusing on

the Investment Bank and Middle East Bank over the period from 2019 to 2023. Their research underscored the fundamental role that cash flow statements play in evaluating a bank's capacity to meet both short-term and long-term obligations, offering a clearer picture of the bank's financial health compared to traditional accounting metrics. The authors demonstrated that cash flow data, encompassing operating, investing, and financing activities, provides a more reliable reflection of liquidity and overall financial stability. This finding suggests that cash flow statements are indispensable tools for investors, creditors, and regulators, as they offer insights essential for informed decision-making and more accurate assessments of a bank's solvency.

Boumédiène and Benramdane (2024), in their study, investigated the application of cash flow tables as tools for assessing the financial situation and performance of NAFTAL, a leading Algerian oil company. The study, conducted between 2023 and 2024, found that NAFTAL's positive operating cash flow played a crucial role in ensuring the company's liquidity. However, the negative cash flow from investment activities highlighted the company's reliance on external financing for its long-term growth and capital expenditures. Despite this reliance, the study noted that operational cash flows were sufficient to support day-to-day operations. The authors concluded that analyzing cash flow from operations, investments, and financing activities is critical for understanding a company's ability to sustain operations, finance growth, and meet financial obligations without excessive dependency on external capital.

Al-Khateeb and Al-Khasawneh (2017) explored the relationship between cash flow management and financial performance in Jordanian insurance companies. Using data from 10 firms spanning the period from 2010 to 2015, they applied regression analysis to assess how cash flow from various activities impacted the profitability and solvency of these companies. The study revealed that operating cash flow had the most significant positive effect on profitability, whereas cash flows from investing and financing activities exhibited weaker effects. The authors emphasized that effective management of operating cash flow is a critical determinant of financial health, suggesting that improved cash flow management would likely lead to enhanced profitability, greater financial stability, and a reduction in financial risk for insurance firms.

Jaber and Al-Shammari (2014) conducted a comparative analysis of liquidity using cash flow ratios versus traditional ratios in the Jordanian pharmaceutical sector. Their findings highlighted that cash flow ratios offer a more accurate and comprehensive reflection of a company's liquidity position, capturing actual cash movements rather than relying solely on balance sheet metrics. The authors concluded that combining cash flow ratios with traditional metrics enhances the quality of liquidity analysis and helps avoid misleading financial interpretations.

In the context of small and medium-sized enterprises (SMEs), Nyabwanga et al. (2013) examined the financial health of SMEs in Kisii Municipality, Kenya, focusing on liquidity, solvency, and profitability. Using financial data from 2009 to 2011, the study applied ratio analysis and statistical tools, including the Altman Z-score, to assess firms' ability to meet short- and long-term financial obligations. The findings revealed that most SMEs experienced low liquidity and high debt levels, which negatively impacted their profitability and increased their risk of financial distress. The authors concluded that improving financial management—particularly regarding liquidity and solvency—is vital for enhancing the resilience and sustainability of SMEs in developing economies.

Ogbeide & Akanji (2017) investigated the relationship between cash flow activities and financial performance among insurance companies in Nigeria. The study employed a panel data approach using secondary data collected from listed insurance firms, with financial performance measured through profitability indicators. By applying multiple regression analysis, the authors assessed the individual effects of operating, investing, and financing cash flows. Their findings revealed that operating cash flow had a strong and statistically significant positive impact on profitability, highlighting it as a primary driver of financial performance. In contrast, investing cash flows were

found to have a generally negative association with profitability, while financing cash flows contributed positively, albeit to a lesser extent than operating flows. The research concluded that effective management of operational cash flow is essential for enhancing financial stability and long-term profitability in the Nigerian insurance sector.

Rodríguez-Masero & López-Manjón (2020) focused on the predictive power of operating cash flow for determining business bankruptcy in medium-sized firms in Spain, with data collected from 2015 to 2018. The study utilized logit regression analysis to identify firms at risk of financial distress based on their cash flow data. The findings revealed that firms with negative operating cash flow were significantly more likely to experience bankruptcy. The study concluded that operating cash flow is a critical predictor of a firm's ability to maintain solvency and avoid financial failure. The author suggested that both investors and managers should closely monitor cash flow data to identify potential financial distress early.

Shapiro and Hanouna (2019) conducted a study on the role of cash flow in financial management and decision-making within multinational corporations. Their work, presented in the form of a comprehensive textbook, examined how cash flow projections inform strategic financial planning and operational decisions across global business environments. The study utilized both theoretical modeling and practical case studies to explore the implications of operating, investing, and financing cash flows on corporate financial stability. Methodologically, it integrated scenario-based analysis and financial forecasting techniques to demonstrate how cash flow management supports critical functions such as capital budgeting, risk assessment, and liquidity planning. The findings emphasized that accurate and forward-looking cash flow analysis is essential for multinational firms to make informed decisions in volatile and diverse financial markets. The authors emphasized that effective cash flow forecasting and control are central to enhancing long-term financial performance and minimizing exposure to global financial risks.

Appah and Duoduo (2024) examined the role of firm-specific attributes, particularly cash flow dynamics, in explaining corporate financial distress among manufacturing firms listed on the Nigeria Exchange Group. The study aimed to investigate how variables such as operating cash flow, firm size, and leverage influence the likelihood of financial distress in developing economies. Utilizing panel data covering several years and applying logistic regression analysis, the researchers assessed the impact of these financial indicators on firm solvency. The results revealed that firms with negative or poorly managed operating cash flows were significantly more prone to financial distress, often struggling to meet financial obligations and maintain operational stability. The authors concluded that effective cash flow management is a critical determinant of financial resilience and long-term survival, recommending that corporate managers prioritize liquidity monitoring and strategic financial planning to mitigate distress risks.

Nikolaos, Christos, and Theodossiou (2020) conducted a financial performance analysis of major retail chains operating under economic turbulence, using indicators such as liquidity, efficiency, and profitability. Their study highlighted the limitations of relying solely on static financial ratios during periods of volatility, particularly in sectors subject to seasonal variations in revenue. They argued for a more dynamic interpretation of financial metrics to better reflect real-time performance.

Emeka, Kelvin, and Okpala (2023) investigated how operating, investing, and financing cash flows influence the financial performance of non-financial firms in Nigeria between 2015 and 2020. Using panel data analysis and multiple regression models, the study found that operating cash flows had the strongest positive effect on both profitability and firm value. Investing and financing cash flows also had statistically significant, though more moderate, impacts. The authors also showed that corporate governance mechanisms, such as board independence, played a significant moderating role in enhancing the effectiveness of cash flow management.

Lastly, Lopez (2025) conducted a comparative study analyzing the role of cash flow forecasting in building financial resilience among small and medium-sized enterprises (SMEs). Focusing on firms across emerging markets, the study compared traditional cash budgeting with advanced machine learning-based forecasting tools. The results indicated that companies employing proactive and data-driven cash flow management were significantly better equipped to withstand financial disruptions, maintain operational continuity, and reduce dependence on external financing during economic downturns. These findings reaffirm that effective cash flow planning plays a vital role in enhancing long-term sustainability and financial adaptability in volatile business environments.

The empirical studies reviewed collectively reaffirm the centrality of cash flow statements as indispensable tools for evaluating liquidity, solvency, and financial performance across a range of institutional contexts and geographic regions. Across sectors such as banking, insurance, manufacturing, and retail, a dominant theme emerges: operating cash flow consistently outperforms conventional accounting indicators in predicting profitability and organizational sustainability. Whether within Iraqi banks, Jordanian and Nigerian insurance firms, or Spanish and Kenyan enterprises, the findings uniformly indicate that robust operational cash flows are closely linked with enhanced financial outcomes and reduced exposure to risk.

Furthermore, the literature accentuates the diagnostic and prognostic value of cash flow analysis in identifying potential financial distress. Evidence from SMEs in Kenya and manufacturing firms in Nigeria and Spain illustrates that firms suffering from negative or erratic operating cash flows face heightened risks of insolvency and financial instability. By contrast, entities that maintain steady and positive cash flows from operations exhibit greater resilience to economic shocks and possess stronger capacities for self-financing.

Additionally, several studies underscore the nuanced role of investing and financing cash flows, particularly in capital-intensive sectors such as oil and manufacturing. For example, the reliance of Algeria's NAFTAL on external financing due to negative investing cash flows highlights the importance of integrating all components of the cash flow statement to develop a comprehensive financial portrait. These insights support the notion that evaluating only operating cash flows may yield an incomplete view of a firm's financial dynamics, especially when strategic investments or capital restructuring are at play.

Finally, the evidence points to the strategic utility of cash flow management as a forward-looking mechanism for financial planning and governance. Studies involving multinational corporations and firms in emerging economies illustrate how well-structured cash flow forecasting—enhanced by sound corporate governance—supports long-term value creation and cushions organizations against market volatility.

In sum, cash flow statements emerge as more than mere reporting instruments—they are strategic tools integral to understanding and enhancing corporate liquidity and financial health. The consistent evidence across sectors underscores that effective cash flow management, particularly of operating cash flows, is essential for maintaining solvency, meeting short-term obligations, and securing long-term financial stability. Thus, organizations that prioritize comprehensive cash flow analysis are better positioned to navigate financial uncertainty and achieve sustainable performance.

3. Theoretical Framework: Cash Flow Management and Liquidity Analysis in the Hospitality Industry

3.1. The Importance of the Cash Flow Statement in Evaluating Liquidity

The cash flow statement is a vital tool for assessing an organization's actual ability to meet financial obligations. Unlike traditional financial statements, such as the income statement, which provide a partial view, the cash flow statement presents a more comprehensive picture of real liquidity. Rashid and Anissa (2024) demonstrated that data derived from operational, investing, and financing cash flows offer a more accurate liquidity assessment than traditional accounting ratios. Their findings

are particularly pertinent in banking, where cash flow data clarified the solvency capacity of financial institutions. Similarly, in the hospitality sector, DeFranco and Schmidgall (2020) confirmed that hotel stakeholders—owners, lenders, and managers—rely heavily on the cash flow statement to monitor operational liquidity, with 75% of hotels compiling it monthly due to its utility in real-time performance tracking. Jenkins (n.d.) reinforces this perspective by asserting that the statement's ability to trace movements across three cash activity categories allows managers to better anticipate liquidity gaps and maintain operational continuity.

3.2. Changes in Cash Flows and Repayment Capacity

Shifts in cash flow activities significantly impact an entity's ability to meet its obligations. Al-Khateeb and Al-Khasawneh (2017) and Ogbeide and Akanji (2017) identified operating cash flow as the most influential factor in improving profitability and maintaining solvency, while investment and financing flows were less impactful. Emeka et al. (2023) added that these relationships are strengthened under robust corporate governance systems.

3.3. Cash Flows as a Tool for Predicting Financial Distress

Operating cash flows serve as early indicators of financial vulnerability. Martínez (2020) and Appah and Duoduo (2024) reported that firms with negative or poorly managed operating cash flows were significantly more prone to financial distress or bankruptcy. Similarly, Nyabwanga et al. (2013) demonstrated that SMEs with low liquidity and high debt levels faced greater financial instability. These findings collectively affirm that operating cash flow is a diagnostic and predictive tool for identifying financial health risks.

3.4. Cash Flow-Based Liquidity Metrics Versus Traditional Ratios

Empirical evidence supports the superiority of cash flow-based liquidity assessments over static accounting ratios. Jaber and Al-Shammari (2014) and Nikolaos et al. (2020) found that cash flow ratios provide a more reliable and holistic understanding of liquidity, especially in sectors facing seasonal or cyclical cash flow variability. Within hospitality, DeFranco and Schmidgall (2020) pointed out that despite widespread use of the income statement and balance sheet, the cash flow statement offers a clearer view of operational solvency by eliminating distortions from non-cash items like depreciation.

3.5. Effective Cash Flow Management and Financial Sustainability

Effective cash flow management is foundational to long-term financial sustainability. Shapiro and Hanouna (2019) highlight the strategic value of cash flow forecasting for resilience, particularly in multinational and industrial contexts. Cash flow dashboards, automated payments, and real-time monitoring enable hotels to maintain financial equilibrium across departments, which is essential for surviving economic shocks and maintaining investor confidence.

3.6. Impact on Long-Term Growth and Expansion Capability

Cash flow insights critically shape a firm's capacity to fund long-term investments. Boumédiene and Benramdane (2024) revealed that while NAFTAL's operational cash flows supported daily operations, investment activities relied on external capital. This dual reality—positive cash from operations and negative investing cash flows—highlights the necessity of analyzing all cash flow components to understand true financial capacity. In the hotel sector, Stamatopoulos (2022) illustrated how managers often adopt "satisficing" rather than optimizing behavior when making cash-related decisions under uncertainty. This bounded rationality affects expansion planning, especially during unpredictable market conditions, reinforcing the value of strategic liquidity buffers and behavioral insights in financial modeling.

II- Presentation of the Case Institution: Chaîne El-Aurassi

1. Company Overview: Chaîne El-Aurassi

Chaîne El-Aurassi is a public industrial and commercial institution (EPIC) currently undergoing transformation into a joint-stock company (SPA) in alignment with Algeria's economic reform

framework. Renowned as a leading provider of luxury hospitality services, the company is committed to delivering high-standard accommodation, gastronomy, and event management. Its operational philosophy is anchored in stringent professional standards, catering to both domestic and international clientele, and its prime location in the center of Algiers enhances its strategic appeal (El-Aurassi Rapport de gestion, 2022, p. 6).

2. Core Activities of the Company

The main activities of Chaîne El-Aurassi are structured around the following domains:

- **Accommodation:** The company offers premium rooms and suites equipped with contemporary comforts and amenities tailored to meet luxury standards.
- **Catering:** Through its diversified culinary offerings, the enterprise manages multiple restaurants that specialize in both local Algerian and international cuisines, prepared by professionally trained chefs.
- **Event Management:** It provides customized services for hosting conferences, meetings, and private functions in multifunctional halls equipped with state-of-the-art facilities.
- **Ancillary Services:** These include reception and concierge services, secure parking, safety provisions, and wellness-oriented services such as fitness centers and spas (El-Aurassi Rapport de gestion, 2022, pp. 7–8).

3. Strategic Objectives of the Company

Chaîne El-Aurassi has outlined several strategic priorities aimed at consolidating its leadership and expanding its market position:

- **Quality Enhancement:** Through continuous investment in infrastructure upgrades and staff training programs to meet evolving service expectations.
- **Increased Competitiveness:** By adopting proactive marketing campaigns and diversifying its customer base.
- **Financial Sustainability:** Ensuring a balance between profitability and cost-efficiency to support long-term economic performance.
- **Service Innovation:** Incorporating digital solutions for reservations and enhancing customer interaction.
- **Brand Elevation:** Strengthening the company’s image as a national and regional symbol of luxury tourism (El-Aurassi Rapport de gestion, 2022, p. 9).

4. The Company's Units and Financial Performance

In 2022, operating costs increased by 18.7% compared to 2021, reaching a total of 1,998.1 million DA, compared to 1,682.8 million DA in 2021. A significant portion of these charges was attributed to the EL-Aurassi unit, which was responsible for 81.7% of the total charges, amounting to 1,632.9 million DA. The operating costs in the southern units were distributed as follows: Mehri Unit: 89.2 million DA, EL-Bousténe Unit: 127.0 million DA, and Rym Unit: 149.0 million DA. The charges encompassed costs related to materials and services, with a notable 16.8% increase in labor and external service costs in 2022 (El-Aurassi Rapport de gestion, 2022, pp. 48-50).

The financial results for 2022 were positive, with a profit of 37.9 million DA, marking a 107.5% improvement from the previous year's loss of 506.9 million DA. The results per unit were as follows: EL-Aurassi Unit achieved a profit of 173.5 million DA, while the Mehri, Rym, and EL-Bousténe units reported losses of 29.8 million DA, 87.6 million DA, and 18.2 million DA, respectively. This profit represented 1.9% of the total revenue and 2.5% of the company’s social capital (El-Aurassi Rapport de gestion, 2022, p. 51).

Operating expenses in 2022 saw a considerable increase of 18.7%, primarily driven by higher material and service costs, as well as an increase in labor and external services. Despite these rising charges, the company recorded a positive result, reflecting improved performance across various operations and an overall increase in revenues. The financial result of 37.9 million DA represents a

remarkable turnaround, demonstrating a 107.5% improvement compared to the previous year's loss of 506.9 million DA. The financial performance varied among the units, with the EL-Aurassi unit achieving the best results, while the Rym and EL-Bousténe units experienced losses. This significant improvement in financial results indicates the company's successful efforts in addressing financial challenges, with notable improvements in business activities and overall revenue growth.

III Results and disscision

1. Analysis of the Cash Flow Statement

1.1. Operational Cash Flow Analysis

The operational cash flows of the hotel during the period from 2014 to 2023 reveal significant fluctuations, reflecting the influence of both internal managerial practices and external environmental factors on financial performance.

1.1.1. General Trends

Between 2014 and 2018, the hotel demonstrated relatively strong performance in terms of net operational cash flows. The operating margin peaked in 2014 at 49.5%, with net cash flows reaching a record 1.62 billion DZD. However, this performance began to decline from 2015 onwards (a 27.38% decrease), followed by continued volatility in the subsequent years, indicating financial instability despite intermittent recovery.

The early years illustrate the hotel's capacity to generate solid cash flows, suggesting effective operational management in a stable market context. Positive cash flow across most years is a clear strength, as is the initial effort toward diversifying revenue streams in recent years. Nonetheless, the inconsistency in annual performance highlights a lack of strategic long-term financial planning and underscores the fragility of financial stability in the face of evolving operational conditions.

1.1.2. Annual Cash Flow Growth Volatility

The annual growth of operational cash flows displayed pronounced volatility, which is symptomatic of unstable financial operations. For instance, a 4.84% decline occurred in 2016, followed by a recovery in 2017 (+18.23%), and another significant drop in 2018 (-23.92%). Such erratic patterns suggest that the hotel faced ongoing challenges in maintaining consistent financial performance. The 2017 recovery shows an ability to rebound from financial distress, indicating responsive internal controls. However, the subsequent relapse points to deficiencies in sustained operational planning and inadequate cost control mechanisms to buffer against recurring downturns.

1.1.3. Impact of the COVID-19 Pandemic (2020)

The year 2020 marked a critical inflection point, with the hotel recording its lowest net cash flow at merely 22.7 million DZD. Customer receipts declined dramatically due to decreased hospitality activity, while major expenses—primarily for suppliers and employees—remained elevated, leading to a severe financial imbalance. The hotel's ability to remain operational during this crisis reflects a baseline resilience. However, the pandemic starkly revealed the absence of emergency financial planning, as well as an overreliance on customer-based revenues without sufficiently developed alternative income streams.

1.1.4. Gradual Post-Pandemic Recovery (2021–2023)

Signs of recovery began to emerge after 2020, with net cash flows improving steadily through 2023. This upward trend indicates a return to financial stability, although operating margins remain below pre-pandemic levels.

This recovery phase highlights the hotel's adaptability and its partial success in regaining operational control. Enhanced cost management and early signs of revenue diversification are positive developments. Nonetheless, the recovery has yet to restore the financial strength seen in earlier years, emphasizing persistent challenges in fully restoring profitability and efficiency.

1.2. Analysis of Investment Cash Flows

Between 2014 and 2018, the hotel enterprise exhibited a clearly expansionary investment strategy, characterized by significant outflows toward the acquisition of fixed and financial assets. These expenditures peaked in 2015 and 2018, with annual disbursements exceeding DZD 700 million. However, these aggressive investments were not matched by proportional inflows from asset disposals or investment returns, resulting in consistently negative net investment cash flows. This imbalance reflects a lack of equilibrium between capital outlay and expected financial returns, raising questions about the efficiency of capital allocation and return-on-investment oversight.

From 2019 onward, the data reveals a notable deceleration in investment intensity. This strategic shift may be interpreted either as a corrective response to prior overinvestment or as a defensive maneuver in light of the external disruptions that characterized the global hospitality sector during the COVID-19 crisis. Despite this contraction, no corresponding improvement in returns—such as increased proceeds from asset sales or interest income—was observed, suggesting insufficient reinvestment strategies or underutilized asset management capabilities.

The computed average annual growth in net investment cash flows (~13.8%) may initially suggest a positive trend. However, year-on-year volatility tells a different story, marked by dramatic swings—such as a surge in outflows in 2015 followed by severe retrenchment in 2021. This pattern indicates a reactive rather than proactive approach to investment management, with strategic decisions driven more by external shocks than internal forecasting.

A critical observation emerging from this pattern is the apparent absence of forward-looking financial tools commonly adopted in the hospitality industry. Unlike best practices that recommend the integration of cash budgeting and real-time liquidity monitoring, this enterprise appears to rely exclusively on historical cash flow statements. This shortfall impairs its ability to anticipate cash mismatches or adapt to seasonal fluctuations inherent in hotel operations.

Additionally, managerial decision-making seems influenced by bounded rationality rather than fully optimized strategies. In complex and uncertain environments, such as the hotel industry, financial managers often deviate from traditional economic assumptions of full rationality. Instead, they adopt satisficing behaviors—settling for outcomes that are “good enough” rather than optimal. This perspective aligns with observed inconsistencies in the firm’s investment trajectory, including abrupt shifts in expenditure and limited financial recovery following reduced investment activity.

In summary, the firm’s investment cash flow performance reveals an urgent need for integrated financial planning, stability in strategic execution, and alignment of investment decisions with return expectations. The reliance on historical data without predictive modeling or liquidity contingency planning has likely exacerbated inefficiencies in cash utilization and constrained the hotel’s operational agility.

1.3. Analysis of Financing Cash Flows

Over the period from 2014 to 2023, the hotel exhibited persistent financial strain in its financing cash flows. The years 2014 through 2018 were marked by substantial and recurrent negative net financing cash flows, indicating a structural reliance on debt issuance to cover obligations, with insufficient generation of surplus. In 2019, the institution recorded a rare positive net inflow, primarily driven by increased borrowing and a temporary decline in debt repayments. However, this improvement was not sustained. By 2020, the hotel had accessed over 2.7 billion DZD in new financing, yet still posted a negative net financing position. This reflects a crisis in liquidity management, likely linked to the sectoral impact of the COVID-19 pandemic and heightened operational expenditures.

The subsequent period from 2021 to 2023 displayed relative stabilization, with narrower financing deficits and a slight net inflow achieved in 2021. However, this stability remained fragile and insufficient to reverse the underlying volatility. Quantitatively, the average annual growth rate of net

financing cash flows over the decade stood at -113.36%, a figure that highlights the institution's severe exposure to financial uncertainty and its lack of consistent funding strategy.

Beyond the numerical analysis, managerial behavior also contributed to the suboptimal outcomes. The continuous payment of dividends, even in years with pronounced financing deficits, suggests decision-making influenced more by stakeholder appeasement than by financial sustainability. Such actions point to satisficing behavior among hotel managers, wherein decisions are guided by institutional and cognitive constraints rather than optimization. This aligns with observed patterns in the hospitality sector, where bounded rationality often supersedes purely rational financial planning. The hotel's financial decisions appear to have been reactive, shaped by short-term pressures and a limited ability to forecast and respond to long-term cash flow needs.

These findings underscore the dual challenge the hotel faces: the technical inadequacy of its financing structure and the behavioral limitations embedded within its decision-making processes. Addressing either dimension in isolation is unlikely to yield significant improvement; a holistic reassessment of financial governance and strategic planning is imperative

2. Comparison Between Operating Cash Flows and Financial Indicators

2.1. Selection of Financial Indicators

In the context of analysing the financial position and liquidity of the hotel enterprise, four integrated financial indicators were adopted:

- **Quick Ratio:** This indicator was selected due to its precision in measuring the entity's ability to meet short-term obligations without relying on inventory liquidation, thus reflecting the actual liquidity available (short-term hotel liquidity).
- **Cash Turnover:** This measures the efficiency with which the entity manages its operating cash flows. It is a critical indicator in the hotel sector, which heavily relies on the rapid collection of daily revenues and the circulation of cash to cover immediate expenses (operational efficiency).
- **Interest Coverage Ratio (ICR):** This indicator was included to assess the entity's solvency and its ability to bear debt servicing costs, thereby contributing to an evaluation of its long-term financial stability and the confidence of creditors and financiers (operational financial solvency).
- **Debt-to-Equity Ratio (DER):** This was incorporated to determine the entity's capital structure and the extent of its reliance on external financing relative to equity. It reflects the degree of financial risk and complements the liquidity and solvency indicators (structural financial position analysis).

The selection of these indicators¹ ensures a balance between liquidity, operational efficiency, financial solvency, and capital structure measures, thereby supporting the main objective of the study: analysing the cash flow statement to comprehensively assess financial position and liquidity.

2.2. Operating Cash Flows, Hotel Liquidity and Financial Position

Table n° (0 1) : Net Operating Cash Flows and Financial Ratios for El-Aurassi Hotel

Year	Net Operating Cash Flows (DZD)	Change in Net Operating Cash Flows (NOC)%	Quick Ratio (QR)	Cash Turnover Ratio (CTR)	Interest Coverage Ratio (ICR)	Debt-to-Equity Ratio (DER)
2014	1,618,774,374.69	59.8	1.75	0.5266	-33.27	1.92
2015	1,175,516,116.84	-27.38	2.18	0.4095	-9.36	1.56
2016	1,118,632,420.61	-4.84	1.70	0.4203	-4.43	1.75
2017	1,322,609,237.99	18.23	1.81	0.4675	-8.42	1.31
2018	1,006,234,612.18	-23.92	1.41	0.3697	-4.13	1.16

**Cash Flow Statement Analysis as a Tool for Assessing Liquidity and
Financial Health: Evidence from El-Aurassi Hotel (2014–2023)**

2019	638,671,643.54	-36.53	2.00	0.3107	-0.90	1.50
2020	22,729,686.43	-96.44	1.80	0.0281	-9.43	1.36
2021	84,639,984.33	272.38	2.23	0.0814	-59.02	1.59
2022	331,698,577.81	291.89	2.44	0.1678	-2.80	1.70
2023	860,821,962.35	159.52	3.63	0.3784	-61.83	1.50

Source: Prepared by the researcher based on the financial statements of El-Aurassi Hotel for the period 2014–2023.

Operating cash flows constitute the primary financial engine of hotels, representing the entity's ability to generate cash from its core business activities without reliance on external financing or asset liquidation (DeFranco & Schmidgall, 2020). Data from the hotel under study for the period 2014–2023 reveal that the highest levels of operating cash flows were recorded between 2014 and 2017. In 2014, net operating cash flows reached approximately DZD 1.6 billion, accompanied by a quick ratio of 1.75 and a cash turnover ratio (CTR) of 0.5266, reflecting sound cash management efficiency and operational liquidity during these years.

However, a clear downward trend emerged starting in 2018, with net operating cash flows declining to approximately DZD 1.0 billion and the CTR dropping to 0.3697, despite the quick ratio remaining at an acceptable level of 1.41. This outlines that while the hotel maintained its position to meet short-term obligations, it experienced inefficiencies in cash management – a reality consistent with the hotel sector's need for rapid cash cycles to cover ongoing operational activities and direct operating expenses (DeFranco & Schmidgall, 2020).

This decline reached its lowest point in 2020, when operating cash flows plummeted to DZD 22.7 million, and the CTR dropped to an alarmingly low 0.0281, signaling near stagnation of available cash resources. Nonetheless, the quick ratio remained around 1.80, suggesting reliance on accumulated cash reserves or short-term borrowing to cover operational deficits. Such techniques help preserve relationships with suppliers and ensure continuity in employee compensation (Tsai, Pan, & Lee, 2011).

Regarding the interest coverage ratio (ICR), persistently negative values were recorded throughout the period, including in 2023 when it reached -61.83. This indicates that operating earnings were insufficient to cover interest expenses, thus threatening the hotel's medium-term solvency. Along the same lines, Zhai et al. (2015) suggested that persistently negative interest coverage ratios indicate a deteriorating ability to generate operational earnings sufficient to meet fixed financing and operational costs, even when quick ratios remain within normal limits.

Furthermore, the debt-to-equity ratio (DER) decreased from 1.92 in 2014 to a low of 1.16 in 2018, reflecting a relative improvement in the hotel's financial structure and reduced dependence on debt. However, the subsequent years witnessed a rebound in DER to 1.70 in 2022 and 1.50 in 2023, alongside operating cash flows remaining below DZD 1 billion. This suggests a renewed reliance on debt to finance operational or investment needs.

Given the particular characteristics of hotel cash flows – marked by high seasonal volatility and the necessity to meet regular payments such as wages, food supplies, and essential services – weak operating cash flows directly threaten daily operational stability. The extremely low cash turnover ratio further indicates inefficiencies in cash collection and payment processes, limiting the hotel's capacity to strategically deploy available cash. Recent hospitality finance literature thus recommends integrating predictive cash budgets alongside historical cash flow analysis to ensure optimal liquidity management, especially in periods characterized by economic uncertainty or declining tourism demand (DeFranco & Schmidgall, 2020).

In conclusion, the findings highlight the urgent need for the hotel to restructure its debt and reduce interest expenses, as well as to improve cash flow management efficiency through accelerated

collections and strategic payment scheduling. Furthermore, adopting digital financial tools to monitor daily cash flows with higher precision is recommended. These measures will not only enhance operational liquidity but also strengthen the hotel’s overall financial stability and sustainability within a highly competitive and volatile market environment.

3. Correlation Analysis

3.1. Jarque-Bera Test Results

The Jarque-Bera (JB) test was employed to examine the normality of the variables under the following hypotheses:

- H_0 (Null Hypothesis): The series follows a normal distribution.
- H_1 (Alternative Hypothesis): The series does not follow a normal distribution.

The distribution of the variables was tested using the JB test via EViews software, with the results presented below:

Table n° (0 2) : Normality Test Results for Financial Variables

Variable	Probability Value	Interpretation
Change in NOC% (NOC)	0.525998	>0.05:Fail to reject H_0 , indicating normal distribution
Quick Ratio (QR)	0.053209	Approximately at the threshold ($p \approx 0.05$), tending towards normality
Cash Turnover Ratio (CTR)	0.600799	>0.05 : Normally distributed
Interest Coverage Ratio (ICR)	0.483983	>0.05 : Normally distributed
Debt-to-Equity Ratio (DER)	0.600799	>0.05 : Normally distributed

Source: Prepared by the researcher based on EViews output.

The results indicated that none of the variables rejected the null hypothesis of normal distribution at the 5% significance level. This suggests that employing the Pearson correlation coefficient to measure the strength of linear relationships among these variables is statistically appropriate, consistent with methodological requirements that Pearson correlation assumes normality of the examined variables.

3.2. Pearson Correlation Results Between Change in NOC and Key Financial Indicators

Correlation coefficient of variables x and y shows how strongly the values of these variables are related to one another. It is denoted by (r) and $r \in [-1, 1]$. If the correlation coefficient is positive, then both variables are simultaneously increasing or simultaneously decreasing (Florentin, 2009). Actually, we have strong relationship if $r \in [0.8, 1]$ or $r \in [-1, -0.8]$; moderate relationship if $r \in [0.5, 0.8]$ or $r \in [-0.8, -0.5]$; and weak relationship if $r \in [-0.5, 0.5]$ (Florentin, 2009).

Table n° (0 3) : Correlation Coefficients Between Net Operating Cash Flows and Financial Indicators

Indicator	Correlation Coefficient
Quick Ratio (QR)	+0.541
Cash Turnover Ratio (CTR)	-0.286
Interest Coverage Ratio (ICR)	-0.062
Debt-to-Equity Ratio (DER)	-0.286

Source: Prepared by the researcher based on EViews output.

The correlation analysis between the percentage change in net operating cash flows (Change in NOC) and a set of financial indicators for the period 2014–2023 revealed a moderate positive relationship with the quick ratio, with a correlation coefficient of (+0.541). This result indicates that an increase in net operating cash flows leads to an improvement in the quick ratio of the hotel

institution, reflecting its enhanced ability to cover short-term obligations promptly as operating cash flows rise. Such an outcome supports operational efficiency and reduces the need for urgent external financing.

Regarding the cash turnover ratio (CTR), the results showed a weak to moderate negative relationship (-0.286). This implies that as net operating cash flows increase, the cash turnover ratio tends to decline. This relationship can be interpreted as an indication that accumulating operating cash within the organization reduces the need to circulate cash rapidly in operational, investment, or financing activities, reflecting a relatively conservative cash management strategy.

For the interest coverage ratio (ICR), the findings indicated a very weak and statistically insignificant negative relationship, with a correlation coefficient of (-0.062). This suggests that changes in net operating cash flows do not materially affect the firm's ability to cover its interest expenses, implying that debt servicing in the studied hotel institution is determined by other factors, such as financing structure and loan maturity schedules.

Finally, the correlation with the debt-to-equity ratio (DER) showed a weak to moderate negative relationship (-0.286), indicating that an increase in net operating cash flows is associated with a decrease in the debt-to-equity ratio. This reflects a relative improvement in the financial strength of the firm by reducing its reliance on external financing in favor of self-financing, thereby enhancing its financial position and lowering its financing risk.

Based on the above findings, it can be concluded that net operating cash flows represent a key influential factor in improving the quick ratio of the institution and, to a lesser extent, in reducing its debt levels. Its impact on the cash turnover ratio is weakly inverse, while it shows no significant effect on the interest coverage ratio. These results emphasize the importance of adopting effective cash management policies aimed at maximizing operating cash flows and strategically utilizing surplus cash to achieve a balance between operational efficiency, liquidity, and the reduction of financial and financing risks in the studied hotel institution.

3.3. Hypotheses Testing Results :

H₁: Effective management of operating cash flows has a significant impact on improving the hotel's operational efficiency.

Using the Cash Turnover Ratio (CTR) as a proxy for operational efficiency, the correlation analysis showed a weak to moderate negative relationship (-0.286) with net operating cash flows. This suggests that while improved cash flow management is associated with reduced cash turnover – indicating a more conservative cash management approach – its direct effect on operational efficiency remains limited. Therefore, H₁ is partially supported.

This result aligns with findings from Ogbeide & Akanji (2017) and Al-Khateeb & Al-Khasawneh (2017), who found operating cash flow to have the strongest influence on profitability, which indirectly reflects operational efficiency in insurance firms. It is possible that, in this industry, metrics such as the Cash Turnover Ratio may not respond linearly to cash flow enhancement due to the unique cost structures of the sector. In addition, Lopez (2025) emphasizes that operational cash flows are foundational for business resilience and the enhancement of operational efficiency depends heavily on how cash is allocated, the integration of smart financial tools, and the implementation of real-time expense controls.

H₂: Improved management of operating cash flows positively affects the hotel's liquidity.

The correlation with the Quick Ratio was moderately positive (+0.541), indicating that enhanced operating cash flows directly improve the hotel's liquidity and its ability to meet short-term obligations. Therefore, H₂ is supported.

This finding is consistent with Rashid & Anissa (2024), who demonstrated that operating cash flows provide a more reliable indicator of liquidity than traditional income measures. Likewise, Jaber &

Al-Shammari (2014) concluded that cash flow-based liquidity assessments are superior to static ratios, especially in sectors with seasonal volatility such as hospitality.

H₁: Effective management of operating cash flows contributes to enhancing the hotel's overall financial health.

Net operating cash flows showed a weak to moderate negative correlation (-0.286) with the Debt-to-Equity Ratio (DER), implying that better cash flow management reduces financial leverage and improves capital structure. However, the relationship with the Interest Coverage Ratio (ICR) was very weak and insignificant (-0.062), suggesting limited impact on debt servicing capacity. Therefore, H₁ is partially supported.

These findings align with Appah & Duoduo (2024), who revealed that poorly managed operating cash flows significantly increase financial distress risks. The weak correlation with ICR may be explained by Martínez (2020), indicating that cash flows primarily predict solvency and bankruptcy risk rather than short-term debt servicing ratios.

Moreover, Shapiro & Hanouna (2019) emphasized that cash flow management enhances financial health through strategic liquidity planning, capital budgeting, and risk assessment, which go beyond immediate interest coverage to shape long-term solvency and growth resilience. Boumédiene & Benramdane (2024) also noted that while operational cash flows maintain daily operations, long-term health is influenced by integrated management of investing and financing activities alongside operating flows.

Conclusion :

This study is undertaken with the objective of examining the role of the cash flow statement in assessing the liquidity and financial health of El-Aurassi hotel during the periode 2014-2023. The study demonstrated that operating cash flows are the core driver of the hotel's financial stability. From 2014 to 2018, strong operational cash flows reflected effective management, followed by a sharp decline in 2020 due to COVID-19, then a gradual yet incomplete recovery through 2023. This pattern highlights weaknesses in long-term financial planning despite emerging revenue diversification efforts.

Correlation analysis showed a moderate positive relationship with the quick ratio, indicating improved short-term liquidity as operational cash flows increase, and a moderate negative relationship with the debt-to-equity ratio, suggesting reduced reliance on external financing. However, no significant effect was observed on interest coverage, implying debt servicing depends more on financing structure than operational performance. Additionally, there was a weak to moderate inverse relationship with cash turnover, reflecting conservative cash management when operational cash accumulates.

Overall, these results confirm that enhancing operating cash flows strengthens liquidity and reduces financial risk, while improvements in debt servicing capacity and cash turnover efficiency require separate structural and financial reforms to ensure sustainable stability in the hotel's operations.

However, the present study has several limitations. First, it focused on a single hotel institution, which restricts the generalizability of its findings to the broader hospitality sector. Second, it relied solely on historical financial data without integrating predictive models, limiting its ability to capture future risks and opportunities. Additionally, while key liquidity and financial structure indicators were analysed, profitability measures were not included, reducing the comprehensiveness of its financial performance assessment. Methodologically, the use of correlation analysis alone does not establish causality, and the absence of qualitative insights into managerial decision-making limits understanding of behavioral factors influencing cash flow management. These limitations suggest that future research should incorporate multi-institutional data, advanced econometric models, profitability indicators, and qualitative approaches to provide a more holistic and generalizable understanding of cash flow management in the hospitality industry.

Based on the study's findings, it is recommended that hotel management prioritize diversifying revenue sources by offering complementary services such as restaurants, event management, and strategic partnerships with tourism agencies, alongside targeting governmental support programs to reduce reliance on debt financing. Improving operational cost management, enhancing supplier negotiations, accelerating receivables collection, and optimizing payments are equally critical to strengthen working capital and maintain liquidity. Furthermore, implementing accurate cash budgeting and digital dashboards that integrate real-time financial data will support proactive and informed decision-making.

Additionally, the study emphasizes the importance of scenario planning frameworks to prepare for crises, establishing emergency cash reserves, and conducting seasonal cash flow analyses to manage liquidity during low-demand periods. Strengthening investment governance, minimizing high-interest debt reliance, and fostering behavioral financial awareness among managers through training in data-driven and adaptive decision-making are essential for financial sustainability. Future research should examine predictive cash budgeting models, digital financial tools, and the broader relationship between cash flow management, profitability, and financial health across diverse hotel settings to enrich this field of inquiry.

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Appendix:

Table A1 : Operating Cash Flow statements for the period 2014-2023

**Cash Flow Statement Analysis as a Tool for Assessing Liquidity and
Financial Health: Evidence from El-Aurassi Hotel (2014–2023)**

Year	Operating Cash Flow Items	Cash Flow Value (DZD)	Net Cash Flow
2014	Cash received from customers	3,269,125,704.48	1,618,774,374.69
	Cash received from other parties	19,447,576.56	
	Payments made to suppliers and employees	-1,643,533,342.28	
	Payments made to other parties	-9,078,151.99	
	Interest and other financial charges paid	-14,108,577.08	
	Taxes paid on profits (results)	-3,078,835.00	
	Cash flows before extraordinary items (Net)	1,618,774,374.69	
2015	Cash received from customers	3,114,177,237.31	1,175,516,116.84
	Cash received from other parties	25,023,065.94	
	Payments made to suppliers and employees	-1,798,790,960.55	
	Payments made to other parties	-5,639,755.98	
	Interest and other financial charges paid	-17,461,428.88	
	Taxes paid on profits (results)	-141,792,041.00	
	Cash flows before extraordinary items (Net)	1,175,516,116.84	
2016	Cash received from customers	2,942,454,427.59	1,118,632,420.61
	Cash received from other parties	24,972,515.21	
	Payments made to suppliers and employees	-1,613,347,933.70	
	Payments made to other parties	-15,021,546.32	
	Interest and other financial charges paid	-12,793,254.34	
	Taxes paid on profits (results)	-207,631,787.83	
	Cash flows before extraordinary items (Net)	1,118,632,420.61	
2017	Cash received from customers	3,093,033,914.70	1,322,609,237.99
	Cash received from other parties	15,289,641.52	
	Payments made to suppliers and employees	-1,715,289,184.22	
	Payments made to other parties	-6,917,503.16	
	Interest and other financial charges paid	-13,371,820.85	
	Taxes paid on profits (results)	-50,135,810.00	
	Cash flows before extraordinary items (Net)	1,322,609,237.99	
2018	Cash received from customers	3,074,483,428.31	1,006,234,612.18
	Cash received from other parties	14,139,295.80	
	Payments made to suppliers and employees	-1,860,321,750.15	
	Payments made to other parties	-12,553,385.67	
	Interest and other financial charges paid	-60,219,520.11	
	Taxes paid on profits (results)	-149,293,456.00	
	Cash flows before extraordinary items (Net)	1,006,234,612.18	
2019	Cash received from customers	2,411,753,108.60	638,671,643.54
	Cash received from other parties	7,010,904.33	
	Payments made to suppliers and employees	-1,669,356,805.00	
	Payments made to other parties	-16,531,496.03	
	Interest and other financial charges paid	-27,743,143.16	
	Taxes paid on profits (results)	-66,460,925.24	
	Cash flows before extraordinary items (Net)	638,671,643.54	
2020	Cash received from customers	1,001,190,586.16	22,729,686.43
	Cash received from other parties	3,267,189.08	
	Payments made to suppliers and employees	-946,293,944.22	
	Payments made to other parties	-12,939,783.86	
	Interest and other financial charges paid	-3,840,860.64	
	Taxes paid on profits (results)	-26,335,221.36	
	Cash flows before extraordinary items (Net)	22,729,686.43	
2021	Cash received from customers	1,072,770,316.95	84,639,984.33
	Cash received from other parties	30,601,570.05	
	Payments made to suppliers and employees	-951,418,066.97	
	Payments made to other parties	-60,458,532.98	
	Interest and other financial charges paid	-6,855,302.72	
	Taxes paid on profits (results)	0	
	Cash flows before extraordinary items (Net)	84,639,984.33	
2022	Cash received from customers	1,801,095,335.75	331,698,577.81
	Cash received from other parties	6,917,210.38	
	Payments made to suppliers and employees	-1,533,939,295.41	
	Payments made to other parties	-5,945,700.07	

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	Interest and other financial charges paid	-5,570,502.84	
	Taxes paid on profits (results)	-69,141,330.00	
	Cash flows before extraordinary items (Net)	331,698,577.81	
2023	Cash received from customers	2,870,600,597.90	860,821,962.35
	Cash received from other parties	4,117,761.30	
	Payments made to suppliers and employees	-2,009,213,409.02	
	Payments made to other parties	-35,307.64	
	Interest and other financial charges paid	-4,647,680.19	
	Taxes paid on profits (results)	0	
	Cash flows before extraordinary items (Net)	860,821,962.35	

Source: Prepared by the researcher based on the financial statements of El-Aurassi Hotel

Table A2 : Investment Cash Flows statements for the period 2014-2023

Year	Payments for Acquisition of Tangible or Intangible Fixed Assets (DZD)	Proceeds from Disposal of Tangible or Intangible Fixed Assets (DZD)	Payments for Acquisition of Financial Assets (DZD)	Proceeds from Disposal of Financial Assets (DZD)	Interest Received on Financial Investments (DZD)	Net Investment Cash Flows (DZD)
2014	-255,998,653.36	408,000.00	-2,059,664.78	547,668.03	100,000.00	-257,002,650.11
2015	-728,551,114.78	151,242.00	-1,007,148.01	10,580,000.00	113,217.97	-718,713,802.82
2016	-604,520,492.46	5,421,275.60	-1,336,805.41	230,000.00	100,000.00	-600,106,022.27
2017	-618,370,488.44	19,651,310.80	-1,519,595.43	352,376.17	5,499.28	-599,880,897.62
2018	-738,020,143.77	17,529,400.00	-14,367,465.34	16,031,214.40	212,500.00	-718,614,494.71
2019	-447,449,982.97	0.00	-1,204,306.27	1,673,176.77	101,250.00	-446,879,862.47
2020	-137,561,235.39	0.00	0.00	0.00	62,500.00	-137,561,235.39
2021	-25,221,616.32	0.00	-1,000,000.00	902,751.36	0.00	-25,318,864.96
2022	-13,354,143.52	0.00	-2,159,850.00	0.00	25,000.00	-15,488,993.52
2023	-47,726,469.94	0.00	0.00	5,422,698.36	685,781.25	-41,617,990.33

Source: Prepared by the researcher based on the financial statements of El-Aurassi Hotel

Table A3 : Financing Cash Flows statements for the period 2014-2023

Year	Proceeds from Equity Issuance (DZD)	Dividends Paid (DZD)	Proceeds from Borrowings (DZD)	Repayment of Loans and Similar Liabilities (DZD)	Effects of Exchange Rate Changes on Cash and Cash Equivalents (DZD)	Net Cash Flows from Financing Activities (DZD)
2014	-518,978,094.49	-96,026,145	288,816,978.77	-722,408,888.76	10,639,960.50	-1,037,955,189.98
2015	-588,505,655.73	-144,156,000	333,963,041.23	-806,771,037.50	28,458,340.54	-1,177,010,311.46
2016	-826,986,984.69	-192,408,333	260,115,131.05	-901,103,556.07	6,409,773.33	-1,653,973,969.38
2017	-779,638,688.31	-331,409,420	3,689,732.09	-459,138,191.58	7,219,191.18	-1,559,277,376.62
2018	-737,035,469.81	-192,880,190	384,727,875.40	-927,853,677.78	-1,029,477.43	-1,474,071,939.62
2019	27,915,167.10	-144,092,050	1,244,731,054.27	-1,064,805,163.76	-7,918,673.41	55,830,334.20
2020	-73,290,910.49	-131,350	2,762,777,885.11	-2,893,666,084.59	57,728,638.29	-146,581,821.68
2021	35,457,519.43	-1,981,018	438,577,866.53	-397,609,665.05	-3,529,664.05	70,915,038.86
2022	-93,339,044.87	-3,133,610	171,068,120.83	-241,131,878.79	-20,141,676.91	-186,678,089.74
2023	-14,001,113.74	-2,789,004	1,000,000.00	-6,021,646.04	-6,190,463.70	-28,002,227.48

Source: Prepared by the researcher based on the financial statements of El-Aurassi Hotel

¹ For justification of this selection, see: (Pandeiro, Sumanti, & Aseng, 2022, pp. 428-429; Alzubi & Bani-Hani, 2021, pp. 357-358; Ji, 2017, p. 93; Eryatna, Eltivia, & Handayawati, 2020, p. 192).