

**FINANCING OF AGRITOURISM SITES IN CAVITE**

**THESIS**

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## ABSTRACT

**MOJICA, LYNETH M. and PUNZALAN, ELOIZA MAE B. Financing of Agritourism sites in Cavite.** Undergraduate Thesis. Bachelor of Science in Business Management, major in Financial Management. Cavite State University, Indang, Cavite. June 2019. Adviser: Prof. Cecilia T. Cayao.

The general objective of the study was to determine the financing of agritourism sites in Cavite. Specifically, the study aimed to: (1) describe the business profile of agritourism sites; (2) determine the sources of financing of agritourism sites; determine the uses of financing of agritourism sites; (3) identify the financial management practices of the owners/managers of agritourism sites; (4) identify the relationships between business profile of agritourism sites in Cavite to the source of financing; (5) identify the relationships between business profile of agritourism sites in Cavite to uses of financing; and (7) identify the problems encountered by agritourism sites in Cavite in financing their business.

The study was conducted from January to March 2019 in specific places in Cavite including Alfonso, Indang, Amadeo, Mendez, Tagaytay City, Maragondon, Silang, Dasmarinas City, and Magallanes. Descriptive and correlation methods of research were used in the study. Descriptive method was used to determine the business profile, sources and uses of financing, financial management practices and problems encountered of agritourism sites, while correlation method was used to determine the relationship of business profile to uses and sources of financing.

The results of the study show that majority of the participants (68%) were sole proprietors operating from 1 to 20 years. All of the participants had full-time staff, which were responsible for the daily operation of the business. Fourteen percent of the participants had part-time staff and 15 percent of the participants had on-call staff, which were very important to implement and operate the services during peak season or when conducting some events. Initial and operating capital (estimated) was very essential for the business to operate for the long run. The services offered

by the participants can increase the estimated monthly income of the business that has an average of P217,132.

The study revealed that personal funding followed by income from farm operation were the top sources of financing acquired by the owners of agritourism sites while farm capital, salaries and wages expense, purchase of tools, machines and equipment, utilities expense and purchase of animals were the top five expenditure items of the participants. The findings also revealed that financial management practices of the owners and managers were moderately practiced.

The study also revealed that some of the business profile had significant relationship with some of the sources of financing, including sole proprietorship and cooperative as form of organization, full-time staff and part time staff and operating capital to venture capitalist. The ability of venture capitalist to provide fund was the main reason for this.

Lastly, the study revealed that the business profile had an overall significant relationship with the uses of financing, because the expenditure items listed vary greatly to the business profile of the agritourism site.

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## FINANCING OF AGRITOURISM SITES IN CAVITE

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### INTRODUCTION

Agritourism is coined from the two major industry; agriculture and tourism which play a vital role in the growth of the country's economy. Based on results of Philippine Tourism Satellite Accounts (PTSA) which also provides information on tourism expenditure and employment, the country received an income of P164.25 billion from tourist arrivals in 2016, up by 7.92 percent from P152.19 billion in 2015. According to Mina Gabor, current President of International School of Sustainable Tourism (ISST) on June 2016 press released, around 20 to 30 percent of the overall tourism market in the country came from farm tourism.

As an Asian country teeming with natural resources, diverse environment, and rich culture, the government sees that the most promising investment rests in agritourism. Thanks to the country's favorable geographical features, there is a vast potential for agritourism in the Philippines.

Based on latest available figures from the Department of Tourism, the country has a total of 37 accredited agro-tourism/farm sites majority of which are located in Luzon and CALABARZON ranked with the most number of sites, up to 20 accredited sites, thus, Cavite has six accredited farm tourism sites (Department of Tourism,