

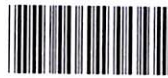
**FINANCIAL CONDITION OF PROFESSIONAL MANAGEMENT  
AND CONSULTING SERVICES, INC.**

**Case Study**

**ORESTES A. CAGATA**

**College of Economics, Management  
and Development Studies  
CAVITE STATE UNIVERSITY  
Indang, Cavite**

Cavite State University (Main Library)



**CS482**

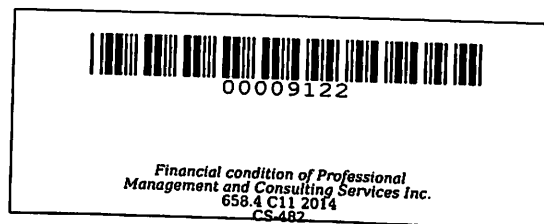
CS 658.4 C11 2014

**October 2014**

**FINANCIAL CONDITION OF PROFESSIONAL MANAGEMENT AND  
CONSULTING SERVICES, INC.**

Undergraduate Case Study  
Submitted to the Faculty of the  
College of Economics, Management, and Development Studies  
Cavite State University  
Indang, Cavite

In partial fulfillment of the requirements for the degree of  
Bachelor of Science in Business Management  
Major in Financial Management



**ORESTES A. CAGATA**  
October 2014

## **ABSTRACT**

**ORESTES A. CAGATA. Financial Condition of Professional Management and Consulting Services, Inc.** Undergraduate Case Study. Bachelor of Science in Business Management, major Financial Management. Cavite State University, Indang, Cavite. October 2014. Adviser: Prof. Cecilia T. Cayao.

This case study was conducted in Professional Management and Consulting Services Inc. office located at 27<sup>th</sup> floor Unit A Rufino Pacific Tower 6784 Ayala Avenue, Makati City. The case study aimed to determine the financial condition of the company, PMaCS Inc., and specifically to describe the profile of the company, organization and management; describe the products and services offered by the company; analyze the financial statements of the company; perform the basic but powerful SWOT analysis, lastly, to make recommendations for the company based on the result of the case study.

Different tools and techniques, financial ratio analysis, common sized financial statements, SWOT analysis, and industry comparison, are used in analyzing the financial condition of the company. Financial ratio analysis comprises liquidity analysis, debt management analysis, asset management, profitability analysis and return on investments analysis. Common sized financial statements include common sized balance sheet and common sized income statements. Industry comparison was made as the company was included in the professional services industry.

The data were gathered through interviews, personal observations of the researcher, also through the official website of the company, the files and records were

gathered. The gathered data were analyzed through quantitative analysis, comparative analysis and SWOT analysis.

Results revealed that based on the financial condition of PMaCS, it is viewed that the management particularly the marketing department, I.T. department, and business management solution department must put necessary corrective actions and formulate plans to improve quality of services to the clients to increase sales, attract more customers and convince them and provide such professional services.

Significant information and data were gathered and prove that the company was on the downward slope when it comes to their cash, on the retained earnings it was always deficit, then the accounts payable is continuously increasing over the years. Additionally, the sales of the company is also on the declining pattern because engineering consultancy was discontinued, aside from its less experienced marketing personnel. On the other hand, the receivables of the company are now being collected compare to that of the past years of operation, an indication of the credit policy's effectiveness. From the ratio analysis on the liquidity of the company, the company is illiquid, meaning they cannot satisfy obligations as they come in due. On the debt management, the company's assets that are financed by its debts and the amount of assets provided by the creditor is higher than the assets that the company has, which means that the financial activity of the company rely much on their debts. But on the return on investors (ROI) or the ROE, the investors still gain a payback of 11% despite of the losses and deficit of the company.

## TABLE OF CONTENTS

	Page
<b>BIOGRAPHICAL DATA.....</b>	<b>iii</b>
<b>ACKNOWLEDGEMENT.....</b>	<b>iv</b>
<b>ABSTRACT.....</b>	<b>vi</b>
<b>TABLE OF CONTENTS.....</b>	<b>viii</b>
<b>LIST OF TABLES.....</b>	<b>x</b>
<b>LIST OF APPENDICES.....</b>	<b>xi</b>
<b>LIST OF FIGURES.....</b>	<b>xii</b>
<b>INTRODUCTION.....</b>	<b>1</b>
Importance of the Study.....	3
Objective of the Study.....	4
Time and Place of the Study.....	5
<b>METHODOLOGY.....</b>	<b>7</b>
Collection of Data.....	7
Methods of Analysis.....	7
<b>DESCRIPTION OF THE FIRM.....</b>	<b>9</b>
Historical Background.....	9
About the Company.....	9
Organization and Management.....	10
Services Offered by PMaCS.....	13
I.T. Solutions.....	15

Problems Encountered.....	15
Plans of the Company.....	17
<b>FINANCIAL CONDITION OF PMACS INC.....</b>	<b>18</b>
<b>Financial Ratio Analysis.....</b>	<b>18</b>
Liquidity Analysis.....	18
Debt Analysis.....	20
Asset Management Analysis.....	23
Profitability Analysis.....	25
Return on Investments.....	27
<b>Common Sized Financial Statements Analysis.....</b>	<b>30</b>
Common Sized Balance Sheet.....	30
Common Sized Income Statements.....	30
<b>ANALYSIS OF FINANCIAL CONDITION OF PMACS INC.....</b>	<b>32</b>
Strengths.....	32
Weaknesses.....	33
Opportunity.....	34
Threats.....	35
<b>SUMMARY, CONCLUSION AND RECOMMENDATIONS.....</b>	<b>39</b>
Summary.....	39
Conclusion.....	41
Recommendations.....	42
<b>REFERENCES.....</b>	<b>44</b>
<b>APPENDICES.....</b>	<b>45</b>

## **LIST OF TABLES**

<b>Table</b>		<b>Page</b>
1	Liquidity Ratio Analysis of PMaCS for 2009 to 2013.....	19
2	Debt Management Ratio Analysis of PMaCS for 2009 to 2013.....	22
3	Asset Management Ratio Analysis of PMaCS for 2009 to 2013.....	23
4	Profitability Management Ratio Analysis of PMaCS for 2009 to 2013.....	25
5	Return on Investor's Ratio Analysis of PMaCS for 2009 to 2013.....	29
6	Summary of SWOT Analysis .....	36

## **LIST OF APPENDICES**

<b>Appendix</b>		<b>Page</b>
1	Common Sized Financial Statements.....	48
2	List of Clients.....	53
3	Endorsement Letter.....	55
4	Memorandum of Agreement.....	57
5	Time Card of the Student.....	60
6	Certificate of Completion.....	62
7	Evaluation Form.....	64



## LIST OF FIGURES

Figure		Page
1	Location Map of PMaCS Inc.....	6
2	Organizational Structure of PMaCS Inc.....	12
3	Liquidity Analysis of PMaCS Inc.....	19
4	Debt Management Analysis of PMaCS Inc.....	21
5	Asset Management Analysis of PMaCS Inc.....	24
6	Profitability Analysis of PMaCS Inc.....	26
7	Return on Investments of PMaCS Inc.....	28

# **FINANCIAL CONDITION OF PROFESSIONAL MANAGEMENT AND CONSULTING SERVICES, INC.**

**ORESTES A. CAGATA**

---

A case study manuscript submitted to the Faculty of the Department of Management, College of Economics, Management and Development Studies, Cavite State University (CvSU), Indang, Cavite, in partial fulfillment of the requirements for graduation with the degree of Bachelor of Science in Business Management, major in Financial Management with Contribution no. CRMYBM 40-31. Prepared under the supervision of Prof. Cecilia T. Cayao.

---

## **INTRODUCTION**

The Philippines is slowly and gradually becoming a great monetary power throughout Asia. Building a successful business in the country becomes much easier through the help of business consulting companies (Gonzales, 2013). Business consulting industry includes firms and individuals who offer advisory, guidance, and operational services related to general management, financial management, marketing management, human resources management, production management and other management consulting services (Edgardo & Mosquito, 2001).

Management consulting is an independent professional advisory service assisting managers and organizations to achieve organizational purposes and objectives by solving management and business problems, identifying and seizing new opportunities, enhancing learning, and implementing changes (Kubr, 2002).