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LILEI RICE DEALERSHIP AND RETAILING

AN ENTERPRISE DEVELOPMENT PROJECT

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LILEI RICE DEALERSHIP AND RETAILING

**Enterprise Development Project
Submitted to the faculty of the
Cavite State University
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**In partial fulfillment
of the requirements for the degree of
Bachelor of Science in Business Management
(Major in Marketing)**

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ABSTRACT

PATAWE, LILIFLOR MANALO, AND DILOY, LEILANIE PANGANIBAN : Lilei Rice Dealership and Retailing: An Enterprise Development Project, Indang, Cavite. Bachelor of Science in Business Management, Major in Marketing, Adviser: Mr. Florindo C. Ilagan.

An enterprise project was operated at Calumpang Cerca, Indang, Cavite and some selected barrios of Indang such as Kayquit, Guyam and Tambong Malaki from November 14, 1998 to February 16, 1999. The enterprise was established to gain knowledge in business management and apply them to actual business enterprise, analyze the problems encountered and formulate accurate solutions and evaluate profitability of the business.

From a total capital of P40,000.00 equally shared by both students, P30,000.00 was utilized in the purchase of various classes of rice which was offered for retailing and dealership. The remaining P10,000.00 was set aside as an emergency fund in case of unexpected slow down in the collection of credit sales receivables. This was done to have a ready cash allocated for additional purchases.

Total purchases of the enterprise made during the three-month operation amounted to P309,825.00 which resulted in a gross income of P18,240.00. The operating expenses totalled P3,996.00 and the net income realized was P14,244.00.

Return on investment (ROI) was 35.61 percent for the entire operation. The gross profit margin was 5.71 percent obtaining return on assets of 4.46 percent.

A set of problems was encountered by the entrepreneurs in marketing rice. The most dominant problem was the presence of too many competitors. In order to survive, the entrepreneurs had to lower the price in order to attract more customers and develop

patronage. Paying by installment and bad debts was also a problem. To cope with this, the entrepreneur and some customers had an agreement that if the receivables were not paid on time interest will be charged.

The renovation of the bridge in Kaytambog, where the entrepreneurs regularly pass to deliver the product to their buyers affected the operation of the project.

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LILEI RICE DEALERSHIP AND RETAILING¹

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INTRODUCTION

Dealership and retailing is an activity involving the selling of goods and services directly to final consumers for their personal, non-business use. It provides intermediaries that link the producers and consumers in the process of distribution. Manufacturing companies are highly dependent on retail business because some consumers are buying the products in small amount for their temporary needs. Retailing is somehow, a significant aspect of the economy. In fact, it provides employment to many individuals who wanted to manage their own small business (Kotler, 1989).

Rice dealership and retailing is among the thriving businesses in the country. A reason for this is that it is profitable and easy to manage.