

**DETERMINANTS OF CREDIT CARD USAGE OF CAVITE
STATE UNIVERSITY FACULTY MEMBERS**

THESIS

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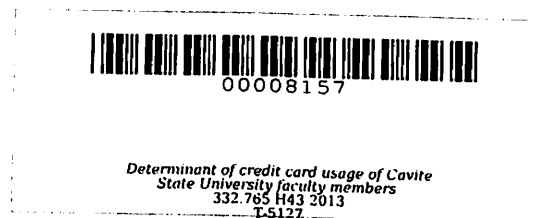
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**DETERMINANTS OF CREDIT CARD USAGE OF CAVITE STATE
UNIVERSITY FACULTY MEMBERS**

Undergraduate Thesis
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ABSTRACT

HERRERA, DAVID BRYLL A., Determinants of Credit Card Usage of Cavite State University Faculty Members. Undergraduate Thesis. Bachelor of Science in Business Management major in Financial Management. Cavite State University, Indang, Cavite. November, 2012. Adviser: Prof. Estrellita C. Corpuz.

The study was conducted to find out the determinants of credit card usage of Cavite State University faculty members. Specifically, this study aimed to: determine the socio-demographic characteristics of credit card users of Cavite State University faculty members; determine the personal factors, income factors, credit card and expenditure factors and investment factors that affect the credit card usage of Cavite State University faculty members; determine the credit card usage of Cavite State University faculty members; and, determine the relationship of personal factors, income factors, credit card and expenditure factors and investment factors to the credit card usage of CvSU faculty members.

The researcher employed purposive sampling method in determining the number of respondents.

This is a descriptive study that relied on questionnaires distributed by the researcher and accomplished by the respondents. Statistical tools such as frequency count and percentage were employed in this study to present the profile of the respondents. The study also used tables and graphs to present the personal factors, income factors, credit card and expenditure factors, investment factors and credit card usage of Cavite State University faculty members. Pearson chi-square and t-test were used to determine the significance and the relationship between personal factors, income factors, credit card

and expenditure factors and investment factors and credit card usage of Cavite State University faculty members.

Majority of the respondents were female, married, in middle age, earned MA/Ms units and work as part-time contractual employees.

Buy now and pay later was the main reason for using credit cards. The respondents usually pay in full in purchasing various items primarily equipment. Twenty to thirty-nine percent of the respondents' total expenditure financed by credit card was observed while 63 percent had savings deposit.

The test of relationship between personal factors, income factors, credit card and expenditure factors and investment factors and credit cards usage of Cavite State University faculty members had either positive or negative effect on the credit card usage. The result showed that these factors had a significant effect on the credit card usage.

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DETERMINANTS OF CREDIT CARD USAGE OF CAVITE STATE UNIVERSITY FACULTY MEMBERS^{1/}

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INTRODUCTION

Credit card is issued by a financial company giving the holder an option to borrow funds, usually at point of sale. It charges interest and is primarily used for short-term financing. Interest usually begin one month after a purchase is made and borrowing limits are pre-set according to the individual's credit rating. Credit cards are internationally accepted instruments, so users can also utilize credit cards abroad.

While technology improves with a high pace, banking sector stands out with its financial modernization like credit cards. Banks provide risk equalizing, regular cash inflow, and allow consumers to satisfy their needs without waiting, spread payments over time, buy on installments, etc. (Silber, 2004) Modern commerce has given credit cards as a payment device in lieu of cash or checks for millions of routine acquisitions as well as vast of transactions that would otherwise be inconvenient or impossible.