

**SHORT-TERM FINANCING OF MICRO-ENTERPRISES IN SELECTED  
MUNICIPALITIES OF CAVITE**

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*Financial Management*

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## ABSTRACT

**ANTONI, JOAN-ED T. Short-Term Financing of Micro-enterprises in Selected Municipalitiess of Cavite.** Undergraduate Thesis. Bachelor of Science in Business Management. Cavite State University, Indang, Cavite. October 2013. Adviser: Prof. Estrellita D. Corpuz.

A study was conducted in selected municipalities of Cavite, namely: Imus City, Dasmariñas City, General Trias, Trece Martires City and Tanza from December 2012 to February 2013. The study aimed to identify the socio-demographic characteristics of micro-enterprises in selected towns of Cavite; determine the business characteristics of micro-enterprises; determine the reasons on the choice of short-term financing of micro-enterprises; determine the types of short-term financing availed by micro-enterprises; identify the loan characteristics availed by micro-enterprises; determine the relationship of business characteristics of micro-enterprises and the choice of short-term financing; determine the relationship between loan characteristics and the choice of short-term financing; and identify the problems encountered by the micro-enterprises in obtaining short-term financing.

Descriptive statistics such as frequency count, mean, standard deviation, and percentage were used in presenting and describing the socio-demographic characteristics of the owner and socio-economic characteristics of micro-enterprises in selected municipalities of Cavite, the reasons on the choice of short-term financing of micro-enterprises, and types of short-term financing used by micro-enterprises. Rank was also used to present the reasons for resorting to short-term financing and their sources, problems encountered in obtaining short-term financing and actions undertaken in



response to the problems indicated. Chi-square was used to determine the relationship between business characteristics of micro-enterprise businesses and loan characteristics to choice of short-term financing.

Findings of the study showed that micro-enterprises in selected municipalities of Cavite were primarily managed under the sole proprietorship form of business organization. Most of them were Filipino-owned.

The study revealed that the total assets, working capital, average sales and expenses as well as the amount of loan, term of payment and discount given to them for their outstanding loans were found significantly related to the choice of short-term financing used by micro-enterprises.

Moreover, the study showed that the most common problem encountered by micro-enterprises was the high monthly payment imposed in short-term financing and most of the participants action to this problem was paying credit on time.