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RURAL BANK OF GEN. AGUINALDO CAVITE, INC.

FIELD STUDY

RONA L. PAITON

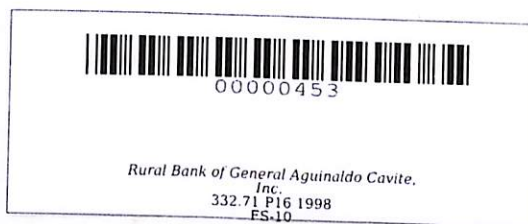
**Department of Economics, Management
and Development Studies
CAVITE STATE UNIVERSITY
Indang, Cavite**

April 1998

RURAL BANK OF GEN. AGUINALDO CAVITE, INC.

**Field Study Report
Presented to the Faculty of the
Cavite State University
Indang, Cavite**

**In Partial Fulfillment
of the Requirements for the Degree of
Bachelor of Science in Business Management
(Major in Marketing)**



**RONA L. PAITON
April 1998**

Note:
Original copy to be filed in the library and one copy to be distributed
to each of the following: Adviser, Department Chairman, Dean, Coordinator
and Student.

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**RONA L. PAITON
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and Head of

ABSTRACT

RONA L. PAITON RURAL BANK OF GEN. AGUINALDO CAVITE INC. A Field Study Bachelor of Science in Business Management Major in Marketing. Cavite State University April 1998. Adviser Mrs. Lolita C. Herrera.

A three-month field study was conducted at Rural Bank of Gen. Aguinaldo Cavite Inc., located at Magallanes St. Poblacion Gen. E. Aguinaldo, Cavite. To provide information about the firm, apply the knowledge's gained in the classroom to some operational activities inherent to different management practices employed, and identify common problems encountered by the firm in its operation.

The study focused on the operation, marketing and financing aspects of the bank. Relevant data were gathered through direct observation and interview with the employees: inspector/appraisal, savings clerk, bookkeeper, and teller.

The Rural Bank of Gen. Aguinaldo is one of the banking institutions organized by the Central Bank of the Philippines. It offers different products and services: savings account, time deposit, agricultural loan and commercial loan. The initial amount in savings account was P100.00 with the interest rate of 4 percent compounded quarterly. For time deposit, the initial amount was P10,000.00 with the interest rate of 8 percent while in commercial loan, the initial amount granted was also P10,000.00, with an interest rate of 31 percent per month.

One of the promotional strategies of the bank for both the depositor and borrower is holding raffles with reasonable prizes during the anniversary and

giving gifts every christmas. The bank has a joint program with Meralco in which the residents of Gen. E. Aguinaldo Cavite (Bailen) can pay their electric bill in the bank.

The Rural Bank of Gen. Aguinaldo Cavite Inc. started with the capital of P500,000. The income gained was P 367 ,079.25 and 1,002,355.41 for 1996 and 1997, respectively.

During the course of the field study, it was found out that the bank lacked labor force and modern equipment to cope with the pace of competition. Delayed payments of the loan borrowers were also a problem of the bank. In the assignment of duties, it was observed that the savings clerk had too many duties. Aside from being savings clerk who is responsible for proper recording of all incoming and outgoing transaction of the bank which shall be balanced and posted in the ledger, she was also in charge in accepting the electric bills.

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RURAL BANK OF GEN. AGUINALDO CAVITE, INC. ^{1/}

Rona L. Paiton

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INTRODUCTION

Rural banks provide the chief source of credit especially for those engaged in agriculture, who need such credit facilities. Such type of banks was known in this country prior to the enactment of Republic Act No. 720, known as Rural Bank Act.

The growth and development of these banks attests to the pressing need of the people in the rural areas for loanable funds. Undoubtedly, the existence of rural banks in the towns and communities has greatly minimized the existence of usurious practices of some money lenders, who have victimized poor people who cannot avail themselves of the credit facilities which maybe offered by commercial and savings banks because of certain requirements imposed by them. (Miranda, 1994).