

**A STUDY ON ENTREPRENEURIAL PRACTICES AND
FINANCIAL PERFORMANCE OF MICRO-SCALE HANDICRAFT
MANUFACTURERS IN SELECTED TOWNS OF CAVITE**

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ABSTRACT

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The study was conducted to determine the business characteristics of micro-scale handicraft manufacturers; describe the entrepreneurial practices employed by handicraft manufacturers in terms of marketing and financial management; determine the financial performance of micro-scale handicraft manufacturers in terms of liquidity, stability and profitability; and identify the problems encountered by the micro-scale handicraft manufacturers in the operation of the business.

The data of the study were gathered from the different Provincial and Municipality Planning and Development Office in Cavite and Department of Trade and Industry – Cavite.

Descriptive analysis, frequency count, mean, range, and percentage were used in presenting the business characteristics, entrepreneurial practices, and financial performance of the micro scale handicraft manufacturers in Cavite. Ranking based on frequency distribution was used to present the problems encountered by the manufacturers in the operation of their business. To facilitate analysis of financial data, tables, quantitative method was using frequencies and percentage distributions.

Financial performance in terms of liquidity although 2002 had a current ratio higher than 2003, they had both enough peso to pay monthly to the creditors. In stability, they were both considered stable although 2003 total debt equity ratio were higher than 2002 during their monthly operation excluding the problems they currently encountered,

due to the economic crisis in the year 2003, the year 2002 were really into profit making.

Aside from being liquid and stable, handicraft manufacturers did not loss capital.

In general, the common problems encountered by the handicraft business were lack of materials and lack of capital although they are liquid, stable and profitable.

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