

**FUND MANAGEMENT OF CREDIT AND MULTI-PURPOSE  
COOPERATIVES IN SELECTED MUNICIPALITIES  
OF CAVITE**

**THESIS**

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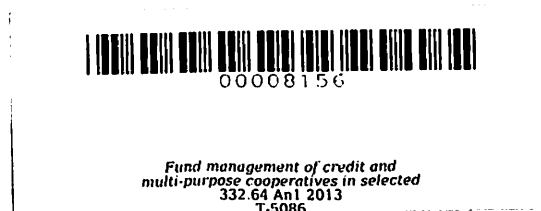
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**FUND MANAGEMENT OF CREDIT AND MULTI-PURPOSE COOPERATIVES  
IN SELECTED MUNICIPALITIES OF CAVITE**

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## **ABSTRACT**

**ANACAY, ALYSSA FUENTES. Fund Management of Credit and Multi-Purpose Cooperatives in Selected Municipalities of Cavite.** Undergraduate Thesis. Bachelor of Science in Business Management Major in Financial Management. Cavite State University, Indang, Cavite. April 2013. Adviser: Prof. Estrellita D. Corpuz.

The study was undertaken to determine the fund management of credit and multi-purpose cooperatives in selected municipalities of Cavite. It aimed to determine the profile of credit and multi-purpose cooperatives; identify the sources of funds of the participants; classify where the participants allocate their funds; determine the level of fund management of the participants; and determine the relationship between sources and allocation of funds with fund management of the participants.

The participants of the study were 60 cooperatives in selected municipalities of Cavite, namely: Dasmariñas City, Imus City, Bacoor City, General Trias, Silang, and General Mariano Alvarez. The study made use of frequency counts, mean, percentage, and standard deviation to describe the profile, sources of funds, and allocation of funds of the participants. Likert's scale was used to determine the level of fund management. Spearman rank correlation test was used to determine the relationship of participants' sources and allocation of funds to their fund management.

The year most of the cooperatives were established was before 1999. The number of members averaged 451. Majority of the participants were multi-purpose cooperatives.

Sources of funds were categorized into internal, external, and other sources. Internal sources were the primary source of funds of credit and multi-purpose cooperatives in the form of share capital. Allocation of funds were categorized into loans, re-lending, merchandise credit, and investments. Sixty-six percent of funds were

allocated to loans. The funds of the cooperatives are slightly utilized and are moderately mobilized.

Relationship between sources of funds and fund utilization were found not significantly related to each other. Only share capital was significantly associated with fund mobilization. In terms of allocation of funds, variables were found significantly related to fund utilization and mobilization.

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An undergraduate thesis manuscript submitted to the faculty of the Department of Management, College of Economics, Management and Development Studies, Cavite State University, Indang Cavite, in partial fulfilment of the requirements for the degree of Bachelor of Science in Business Management major in Financial Management with Contribution No. 72013 BM-0201. Prepared under the supervision of Prof. Estrellita D. Corpuz.

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## **INTRODUCTION**

Article 3 of Republic Act No. 9520 also known as “The Philippine Cooperative Code of 2008” define cooperatives as autonomous and duly registered associations of persons with a common bond of interest, who have voluntarily joined together to achieve their social, economic, and cultural needs and aspirations by making equitable contributions to the capital required, patronizing their products and services, and accepting a fair share of the risks and benefits of the undertaking in accordance with universally accepted cooperative principles.

The development of cooperatives is a great help in facilitating financial and banking services to low income households which the formal financial institutions do not normally cover. One of the reasons is the lack or insufficient collateral securities demanded by banks from low income households. Another is the low credibility of borrowers which is the most important aspect that banks consider.