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SOURCES AND USES OF CREDIT OF VENDORS
IN INDANG PUBLIC MARKET

THESIS

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**SOURCES AND USES OF CREDIT OF VENDORS
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ABSTRACT

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The study aimed to describe the sources and uses of credit of vendors in Indang Public Market. Specifically, it was conducted to identify the socio- economic characteristics of vendors; determine the amount and sources of credit of vendors; determine the uses of credit of vendors; determine the level of income and expenditures of vendors and identify the problems encountered by vendors in sourcing of credit for their business.

The study was conducted in Indang Public Market. A total of 100 respondents were obtained by means of quota sampling. Data were collected with the use of the prepared interview schedule.

Data were analyzed using descriptive statistics such as; frequency count, percentage, mean, rank and range.

The years in operation of the vendors ranged from 1 to 57 years with an average of 16 years. Fifty nine percent of the vendors had experience from 1 to 12 years in selling, 19 percent had been in the business for 13 to 24 years, and only four percent of the vendors had a longer experience from 49 to 60 years in selling.

The revolving capital of the vendors ranged from Php800 to Php500,000 with an average of Php70,704. Majority of the vendors (94%) had revolving capital that ranged from Php800 to Php100,640, three percent had revolving capital that ranged from

Php100,641 to Php200,481 and one percent each of the vendors had revolving capital that ranged from Php200,482 to Php300,322, Php300,323 to Php400,163 and Php400,164 to Php500,004, respectively. Sixty four percent of the vendors did not employ any workers.

Twenty eight percent of the vendors obtained credit from private individuals; 20 percent from informal creditors and only three percent mentioned that their source of credit were friends and relatives. Among the sources of credit, vendors obtained the highest average amount of Php21,501 from the cooperative, followed by friends and relatives which amounted to Php16,501. The least average amount of Php7,666 was obtained from private individuals.

Majority (88%) of the respondents utilized 69 to 94 percent of their loan in financing the business while 58 percent utilized 8 to 33 percent of their loan to support the needs of the family and 50 percent each of the respondents used 2 to 27, and 36 to 43 percent of the loan for payment of other debts.

The vendors generated a gross income Php80,016 per month. The acquisition cost of goods sold amounted to Php62,600. The total expenses of the vendors per month, amounted to Php4,440. This was utilized for payment of salaries and wages of workers Php1,500, stall rental (Php1,200), store supplies (Php1,000), transportation (Php120.00), tax permit (Php80), and utilities Php40). Many requirements of creditors was the problem of vendors in sourcing credit.

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SOURCES AND USES OF CREDIT OF VENDORS IN INDANG PUBLIC MARKET^{1/}

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INTRODUCTION

Market vendors make the foods available which our countrymen need to stay alive. They also provide close to 70% of the local revenue every year, mainly through the "local taxes" which they pay every time they engage in vending, all over the Philippines (Montemayor, 2001).

The government's thrust of bringing Small Medium Enterprise (SMEs) to the international map is fast gaining ground with more than 16,000 SMEs nationwide availing of P5.544 billion in loans through the SME Unified Lending Opportunities for National Growth (SULONG) program for the first quarter this year as reported by the Department of Trade and Industry (2004). This assures SME sector an opportunity to expand and improve the domestic supply side for globally competitive industries.

Department of Trade and Industry (2004) reported that the Land Bank of the Philippines released P3.257 billion in SME loans under a retail lending mode and P109