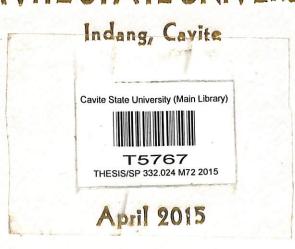
RISK TOLERANCES TOWARDS FINANCIAL DECISION-MAKING OF FACULTY MEMBERS OF CAVITE STATE UNIVERSITY-MAIN

THESIS

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RISK TOLERANCES TOWARDS FINANCIAL DECISION-MAKING OF FACULTY MEMBERS OF CAVITE STATE UNIVERSITY-MAIN

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ABSTRACT

MOJICA, SHAIRA ANNE BAGO and ZABAL, WENDYLYN CABREDO. Risk Tolerances towards Financial Decision-Making of Faculty Members of Cavite State University-Main. Undergraduate Thesis. Bachelor of Science in Business Management, Financial Management. Cavite State University. Indang, Cavite. April 2015. Adviser: Ms. Yolanda R. Ubusan.

The study was conducted to identify and describe the risk tolerances in financial decision-making of faculty members of Cavite State University-Main. It aimed to: determine the socio-economic characteristics of selected faculty members of Cavite State University main campus; determine the risk tolerances of selected faculty members towards financial decision-making in terms of aggressive activities and conservative activities; determine the relationship between socio-economic characteristic and risk tolerances of selected faculty members towards financial decision-making; and determine if there is significant difference in risk tolerances of faculty members towards financial decision-making when grouped according to age, sex, civil status, monthly gross income, and other sources of income.

The participants of the study were 219 faculty members of Cavite State University-Main campus, with ages 20 to 62 years. A questionnaire was used to gather data from the participants.

The frequency count, percentage, range, standard deviation and mean were used in presenting the demographic characteristics of the students, Spearman Rank Correlation and Chi-Square Test were used to determine the relationship between risk tolerances of selected faculty members and their socio-characteristics. Analysis of Variance (ANOVA) and T-test were used to determine the significant difference in risk tolerances of faculty

members towards financial decision-making when grouped according to their socioeconomic characteristics such as age, sex, civil status, monthly gross income, and other sources of income. Faculty members have average risk tolerance towards financial decision-making in terms of aggressive activities and conservative activities. Faculty members were either willing or not willing to accept risks when making financial decisions.

The socio-economic characteristics such as age, civil status, and monthly gross income were found to be significantly related with risk tolerance in terms of aggressive activities and socio-economic characteristics such as monthly gross income was also found to be significantly related with risk tolerance in terms of conservative activities. However, among the used socio-economic characteristics in the study, sex and other sources of income were found to be not significantly related to risk tolerance in aggressive activities. In terms of conservative activities, age, sex, civil status, and other sources of income were found not significantly related with risk tolerance towards financial decision-making of faculty members of Cavite State University-Main campus.

Study revealed that risk tolerance of faculty members in terms of aggressive activities has significant difference when grouped according to their age. Hence, the null hypothesis stating that there is no significant difference in risk tolerance of faculty in terms of aggressive activities when grouped according to age was rejected.

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INTRODUCTION

Financial matter becomes one of the important concerns that many Filipinos nowadays are engaged with. Filipinos are committed in different ways of living, to satisfy daily needs, and to have more relevant opportunities to uphold financial needs and eventually achieve financial success (Sequina, 2013). Financial decision-making routine of individual creates a great impact on his or her financial success. Garman and Forgue in Sequina (2013) defined financial success as the achievement of financial aspirations that are desired, planned or attempted.

Financial decision-making is essential for the continuous progress of every individual. It is important to understand the ways of individuals in making financial decisions since these help them to understand their own behavior and gives awareness in committing usual mistakes. Studies revealed that the most important determinant of financial decision-making is personal financial risk tolerance. Personal financial risk