

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

THESIS

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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 socio-economic 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.

TABLE OF CONTENTS

	PAGE
BIOGRAPHICAL DATA	iii
GENERAL ACKNOWLEDGMENT	v
PERSONAL ACKNOWLEDGMENT	vii
ABSTRACT	ix
LIST OF TABLES	xiii
LIST OF APPENDICES	xiv
INTRODUCTION	1
Statement of the Problem.	3
Objectives of the Study	4
Significance of the Study	4
Time and Place of the Study	5
Scope and Limitation of the Study	5
Definition of Terms	6
Conceptual Framework	7
REVIEW OF RELATED LITERATURE	9
METHODOLOGY	20
Research Design	20
Hypothesis	20
Sources of Data.	21
Participants of the Study	21
Sampling Technique	21

Data Gathered	22
Statistical Treatment of Data	23
RESULTS AND DISCUSSION	26
Demographic Profile of Selected Faculty Members of Cavite State University-Main Campus.	26
Risk Tolerances towards Financial Decision-Making of Selected Faculty Members of Cavite State University-Main Campus.	29
Aggressive Activities	30
Conservative Activities.	32
Relationship between Socio-economic Profile and Risk Tolerances towards Financial Decision-Making of Faculty Members of Cavite State University-Main.	36
Significant Difference between Socio-economic Characteristics and Risk Tolerances towards Financial Decision-Making of Faculty Members of Cavite State University-Main	40
SUMMARY, CONCLUSION, AND RECOMMENDATION	46
Summary.	46
Conclusions.	48
Recommendations.	49
REFERENCES	50
APPENDICES	54

LIST OF TABLES

Table	Page
1 Distribution of respondents by college, Cavite State University Main-Campus 2014.	22
2 Profile of the faculty members of Cavite State University-Main Campus	27
3 Risk tolerances towards financial decision-making of faculty members in terms of aggressive activities.	31
4 Risk Tolerances towards financial decision-making of faculty members in terms of conservative activities.	33
5 Relationship between socio-economic characteristics and risk tolerances towards financial decision-making of faculty members	38
6 Relationship between socio-economic characteristics and risk tolerances towards financial decision-making of faculty members	39
7 Significant difference in risk tolerance of the participants when grouped according to age	41
8 Significant difference in risk tolerance of the participants when grouped according to civil status	43
9 Significant difference in risk tolerance of the participants when grouped according to monthly gross income	44
10 Significant difference in risk tolerance of the participants when grouped according to other income	45
11 Significant difference in risk tolerance of the participants when grouped according to sex	45

LIST OF APPENDICES

Appendix	Page
1 List of Respondents	55
2 Certificate from Statistician.	57
3 Certificate from English Critic	59
4 Letter to Human Resource, CvSU-Main Campus	61
5 Letter to Colleges	63
6 Routing Slip	73
7 Statistical Data	75
8 Survey Questionnaire	83
9 Requests for Oral Review	87

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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