

**PROFITABILITY AND SUSTAINABILITY OF CONCESSIONAIRES  
IN CAVITE STATE UNIVERSITY DON SEVERINO  
DE LAS ALAS CAMPUS**

**THESIS**

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## ABSTRACT

**CLARITO, LORRAINE MARIELLE E. SOLO, SHAYNA M. and TORRES CRIZEL MAE. Profitability and Sustainability of Concessionaires in Cavite State University Don Severino de las Alas Campus.** Undergraduate Thesis. Bachelor of Science in Business Management major in Financial Management. Cavite State University Indang, Cavite. June 2019. Adviser: Ms. Rowena R. Noceda.

The study was conducted from August 2018 to May 2019 at Cavite State University, Indang, Cavite to determine the profitability and sustainability of concessionaires at Cavite State University Don Severino De Las Alas Campus. Specifically, this study aimed to: 1. describe the socio demographic profile in terms of age, educational attainment, sex and civil status; 2. describe business characteristics of each concessionaires in terms of number of employees, years in operation, type of product or service; 3. determine the profitability level of concessionaires in terms of gross profit margin, operating profit margin and net profit margin; 4. determine the sustainability of concessionaires in term of working capital; 5. determine the significant relationship between the business characteristics of concessionaires to profitability; 6. determine the significant relationship between the business characteristics of concessionaires and sustainability; and 7. determine the significant relationship between profitability and sustainability.

Purposive sampling technique was used to examine selected concessionaires of Cavite State University Main Campus. Data were collected with the use of prepared questionnaire. The data were analyzed using statistical tool and different profitability ratios.

The Pearson's R coefficient revealed that there is no significant relationship between the business characteristics in terms of number of employees, years in operation and profitability in terms of net profit margin (NPM), operating profit margin (OPM), and gross profit margin (GPM).

The results of T- test revealed that there is no significant relationship between business characteristics in term of type of product or service and profitability in terms

of net profit margin (NPM), operating profit margin (OPM) and gross profit margin (GPM).

The Pearson's R coefficient revealed that there is no significant relationship between business characteristic in term of number of employees and sustainability in terms of working capital while there is a highly significant relationship between business characteristics in term of years of operation and sustainability in terms of working capital.

The results of T- test revealed that business characteristics in terms of type of product or service had no significant relationship to sustainability in term of working capital.

The Pearson's R coefficient revealed that profitability in terms of net profit margin (NPM), operating profit margin (OPM) and gross profit margin (GPM) had no significant relationship to sustainability in term of working capital.

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## **INTRODUCTION**

Concessions are basically retail outlets. Their business revolves around selling goods and services to final customers. Concession business is one that is highly personalized; largely local in the area of operation and dependent on internal source of capital to finance its growth (Banernback, 1998).

Concession business plays a very important role in the industrialization and development of an economy. Many concession businesses are usually small businesses. This type of business is the most challenging and rewarding ventures to take. In taking the leap and opening a concession business, many factors need to be considered, like speaking with many people in the industry and to get necessary inputs.

Concessions operate in various sectors of the economy and can be found almost anywhere. They are in trade, service, agricultural business, manufacturing electronics, etc. They include a variety of establishments ranging from handicrafts, woodwork, furniture, welding, tailoring, bakery, computer shops and even in food processing. Food concession is the most popular type of concession business.