

**CASH MANAGEMENT PRACTICES OF ARCHWAY  
MULTI-SERVICES CORPORATION**

Undergraduate Case Study  
Submitted to the Faculty of the  
College of Economics, Management and Development Studies  
Cavite State University  
Indang, Cavite

In partial fulfillment  
of the requirements for the degree  
Bachelor of Science in Business Management

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April 2014



## ABSTRACT

**COSME, CAROL KANE M. "Cash Management Practices of Archway Multi-Services Corporation".** Undergraduate Case Study, Bachelor of Science in Business Management, major in Financial Management. Cavite State University, Indang, Cavite, April 2014. Adviser: Prof. Lina C. Abogadie.

A case study was conducted at Archway Multi-Services Corporation (AMSC) located at the 3<sup>rd</sup> Floor SKK Building, 63-65 Sen. Gil Puyat Avenue corner F.B. Harrison Street, Pasay City. This study was conducted to allow the student to apply her gained knowledge in Business Management, especially in Financial Management, to actual experiences and real life working conditions. Generally, the study was conducted to describe the cash management practices of Archway Multi-Services Corporation. Specifically, it aimed to (1) describe the profile of the company; (2) describe the cash management practices of the company; (3) describe the different strategies used by the company in collecting payments; (4) analyze the company's liquidity and short-term debt capacity; (5) determine the problems encountered by the firm in relation to cash management; and (6) recommend feasible solutions to the problems encountered.

Data were obtained through actual observations, participation in the cash management of the company, and personal interviews with the accounting and finance manager, accounting assistant, and treasurer. Secondary data were collected from office records and files. Additional data were gathered from books and the Internet. Other information was collected from the library of Cavite State University.

Cash management of Archway Multi-Services Corporation (AMSC) includes cash budget preparation where the firm allots a budget for each operating expense which must



not exceed the preceding year's actual expenses. AMSC also shoulders the salary of its deployed casual employees and the company's billing cycle is made twice a month, i.e. 15 working days to facilitate collections. Peachtree accounting system is used in generating the company's cash disbursement vouchers or check vouchers.

The author used three liquidity ratios, namely cash ratio, current ratio and quick ratio to determine if the company is capable of meeting its short-term obligations.

Using the five-year (2008-2012) financial data, AMSC has sufficient current assets to pay off its short-term liabilities.

The company encountered problems in cash management caused by errors in recording and encoding of financial transactions. The firm also experienced delayed payments and non-payment from its valued clients.