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**FINANCIAL PERFORMANCE OF SELECTED CAR DEALERS
AND THEIR PREPAREDNESS ON THE TAX REFORM
FOR ACCELERATION AND INCLUSION**

Undergraduate Thesis
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



00076570

*Financial performance of selected car
dealers and their preparedness on the tax*
338.478 C13 2018
T-7826

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June 2018

ABSTRACT

CALLAO, CLARISSE JEAN A.; MIRANDA, KATHLEEN CLAISE P. **Financial Performance of Selected Car Dealers and their Preparedness on the Tax Reform for Acceleration and Inclusion.** Undergraduate Thesis. Bachelor of Science in Business Management major in Financial Management. Cavite State University, Indang, Cavite. June 2018. Adviser: Ms. Mailah M. Ulep.

The study focused on the financial performance of the Selected Car Dealers and their Preparedness on the Tax Reform for Acceleration and Inclusion. The financial performance was measured through their gross profit margin, net profit margin, and return on assets, return on equity, current ratio, debt ratio, and equity ratio. On the other hand, the preparedness of the selected car dealers on the implementation of the tax reform was measured through their level of knowledge, level of acceptance, level of preparations, and level of adaptability.

In the analysis of the financial performance, the secondary data were collected from Sec I-View which is a government website that shows the financial information of the Securities and Exchange Commission registered companies. This will measure the financial status of the participants for the past three years.

Results showed that automobile manufacturers here in the Philippines' operating for almost 25 years. Also, the results showed that the financial performances of the automobile manufacturers in the Philippines are quite unstable. In addition, the results of the study also showed that the participants were prepared for the implementation of the Tax Reform for Acceleration and Inclusion (TRAIN). The preparedness on TRAIN Law of the selected car dealers are measured through their level of knowledge on tax, their level of acceptance on its implementation, their level of preparations, and their level of

adaptability to changes. The respondents' level of knowledge on TRAIN is evidently high. In addition, their level of acceptance on the TRAIN is also very high. As for their level of preparations, the participants had done lot or preparations for its implementation. Finally, for their level of adaptability on the changes they might encounter, the result showed that the companies are highly versatile on the changes and can easily cope up with it.

Financial performance of the selected car dealers of the multinational automobile manufacturers has no significant effect to their level of knowledge of on TRAIN and it has the same results for their level of acceptance on it. As for the level of adaptability, there is no correlation between gross profit margin, net profit margin, return on assets, current ratio, debt ratio and equity ratio in terms their level of preparation on the tax reform for acceleration and inclusion. On the other hand, the level of adaptability was affected by their return on equity. It revealed a probability of significance of 0.007 and it has the same result for their level of preparation in which return on equity has significant effect on their level of preparation.

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