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Assessment of Financial Management Practices of Small and Medium Enterprises (SMEs) in Nasugbu, Batangas

Marvin C. Hernandez[1], Corinna S. Balboa[2], Rommel C. Cuenca[3], Nikki Dale G. Quilantang[4]

[1,2,3,4] College of Accountancy, Business, Economics and International Hospitality Management Batangas State University, Philippines

Abstract

Small and Medium Enterprises have been identified as important contributors to economic development who face a range of challenges that work against their progress, one of which is financial management. This study aimed to assess the financial management practices of small and medium enterprises in Nasugbu, Batangas. The researchers used the descriptive method with a questionnaire to gather data from 34 respondents. Frequency, percentage, and mean were used as statistical tools in the study, and analysis of variance was used to determine the significant differences between variables. The data gathered were tallied, analyzed and interpreted. The results of the study revealed that the majority of the respondents implement financial management practices. Financial management practices such as financial planning, investment, and working capital management are highly applied by small and medium enterprises in Nasugbu, Batangas. It was also revealed that there is a significant difference in applying financial management practices of small and medium enterprises when grouped according to the business profile. The outcome of this study may be useful for the entrepreneurs to focus on financial management practices to enhance their business performance.

Keywords: *Investment, Financial Management, Financial Planning, Small and Medium Enterprises, and Working Capital Management*

INTRODUCTION

Based on a report presented by Aldaba (2014), SMEs account for about 99 percent of all registered businesses, employ more than 60 percent of the workforce, and contribute 16 to 35 percent in exports. This means that SMEs play an important part in developing the economy and are considered a major driver of growth because of their remarkable contribution in job creation, providing desirable sustainability and innovation.

One of the life bloods of every company is financial management. It must fulfil the needs of the business concern. Financial management is the process that the entrepreneurs use to manage its money-making the business more successful. Entrepreneurs who follow sound financial management practices will understand how and why their company is doing financially. And will be able to use it to make decisions that will boost the company's operations. It is explicitly

Corresponding author
marvin.hernandez@g.batstate-u.edu.ph; balboacorinna@gmail.com; rommelccuenca@gmail.com
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important to be aware of the financial management practices for entrepreneurs to enable businesses to achieve long-term financial targets and regular financial goals (Lesonsky, 2006).

According to Raveendran (2015), in the present uncertain market conditions, considerable focus has been put on the survival of SME businesses. One of the critical issues encountered by SMEs is the lack of professional financial expertise to guide their decision-making. Meaning, Due to a lack of management expertise and financial capital and volatility in the market climate, SMEs have encountered challenges on their path to success. Furthermore, any organization's business target can only be reached with the aid of good financial management.

In addition, SMEs in Nasugbu, Batangas have developed enormously and contributed to their economic growth. However, due to a lack of adequate financial management and capital and volatility in the market climate, SMEs have encountered various obstacles on their path to growth and progress. As a result, SMEs often face challenges in their daily operations. Many decision-makers of these SMEs maybe not be formally trained and had expertise in financial management. Still, they have the capacity and skills to apply good financial management practices to ensure the financial health of their business enterprises. Sound financial management practices are implemented and go a long way to overcome those difficulties and ensure the availability of business resources, particularly in the finance sector, which is necessary for business success (Bentir, et. al, 2018).

SMEs have been steadily growing, which contributes to the overall industrial growth, and these increasing numbers of established enterprises are also visible in Nasugbu, Batangas. Despite its remarkable contribution and significant role in the industry, still, they are afflicted by high failure rates and difficulties, and most of them do not experience long term success.
Through financial management, entrepreneurs will be able to make decisions that will boost their company's operations. It is critical to be aware of financial management activities because they allow companies to achieve long-term and short-term financial goals. It is beneficial for a company to see the best direction for them to take in terms of business operations.

In Financial Management, some practices effectively use to operate and manage the whole business venture efficiently. Some of those practices are financial planning, investment, and working capital management. These practices can help the business firms, specifically the small and medium enterprises, as they greatly contribute to the local and national economy, improve their financial condition, and perform to compete in the global market easily.

The researchers decided to conduct a study to analyze SMEs' financial management activities in Nasugbu, Batangas and how these practices and ideas had been applied to the business enterprises.

Objectives

In general, the study aimed to asses to financial management practices of SMEs in Nasugbu, Batangas. Furthermore, it aimed to:

1. Determine the profile of the business in terms of:
    1.1. nature of business
    1.2. years of existence
    1.3. number of employees
    1.4. capitalization
2. Determine how the respondents implement the financial management practices of SMEs in

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terms of:
2.1 financial planning;
2.2 investment;
2.3 working capital management
3. Determine if there is a significant difference on the financial management practices of SMEs in Nasugbu, Batangas when grouped according to the profile of the business.

LITERATURE REVIEW

According to Mendoza and Melchor (2014), small and medium enterprises account for more than 90% of all companies in ASEAN, recruiting 50-90 percent of the workforce and contributing 32-37 percent of total domestic production in their respective countries. The number of SMEs in the Philippines increased by 66% from 492,510 in 1995 to 816,759 in 2011. Similarly, from 2.7 million in 1995 to 3.9 million in 2011, the number of people working by these businesses has increased by 45.7 percent. These figures hide a slew of challenges that these businesses are facing, especially with ASEAN's economic integration. Many Philippine SMEs are still too small to make a significant contribution to household income, and they are unable to take advantage of the opportunities created by ASEAN integration.

There are still thousands of SMEs in the Philippines today, according to Matabuena (2017). In the Philippines, they account for 9.63 percent of all companies. SMEs were able to build 2.5 million jobs in 2015, showing their significance in propelling the economy forward.

According to Gregory (2018), there are several obstacles to starting and maintaining a small company, but money issues are at the top of the list for the majority of small business owners. There are many ways to improve the financial health of your business by changing your operations procedures, but there are also some simple things you can do in the day-to-day management of your company.

As stated by Mazzarol (2014), good financial management is vital to the success of any company, but it is especially important in small and medium businesses, where insolvency is often only a few unpaid invoices away. Cash flow control, specifically the cash transfer period, is a major problem for small business owners and managers. This applies to the company's ability to raise cash from its customers' invoices, as well as the time it takes to obtain these receivables.

According to Timbang (2015), a company is an organization in which the owners' and partners' skills, resources, and enterprise are connected to capital, its sources, and investments, and its success is measured by the business's wealth, or benefit. These are the steps to take in order to excel in business finance: (1) The company must raise capital from the right sources and spend it in the right ways, (2) it must continue to achieve its goal of profit, and (3) cash must be available when it is needed, which can be critical in certain decision-making circumstances. These are the reasons why the finance manager is so important to the success of the business. When money comes in, the finance manager considers how it can be spent on a regular basis and how it can help the business continue to operate in the future. If finance is at the core of all that happens in a business, controlling it is challenging because the person in charge of it must be interested in all of the company's activities.

In [6]Royal London Mutual Insurance Society Limited (2014) it’s better for the business to have different financial management techniques such as financial planning, saving, and working capital management are detailed approaches that can be used to follow the principles of financial management. They reflect the latest strategy for managing a with-profit fund and adapting to short-term shifts in the market and economic climate. As a result, as conditions, financial management strategies, the market, the regulatory climate, and other factors change, the practices can change.

In financial planning by Hill (2018), the financial planning phase in business is structured to predict potential financial performance and decide how to best use the company's financial capital in pursuit of the organization's short and long-term goals. Since planning entails looking far into the future, such as prioritizing investments or conserving a company's financial capital, it is a key component of business performance. The financial planning process assists a company owner in determining the most significant expenditures; it is both an innovative and analytic process. Companies that make a concerted effort to improve their financial planning processes will increase their profits faster than companies with inefficient planning processes. The numerical logic for decision-making is provided by financial planning. It demonstrates where the company can focus its full effectiveness in terms of increasing sales and controlling costs. More funds are available for marketing, expanding operations, and product creation as a result of efficient financial management, resulting in increased growth.

While, according to All Business Editors in Personal Finance (2018), people would want to spend capital in order to create wealth in investment practices. Investing allows an individual to put their money into vehicles that have the potential to earn high returns. People who do not invest are losing out on opportunities to develop their wealth. Of course, investing has the potential to lose money, but if people invest wisely, they have a greater chance of making money than if they never invest.

As stated by Feimster (2017) investing money can allow growing it. The majority of investment instruments, such as stocks, certificates of deposit, and bonds, have long-term returns on investment. This rate of return helps the money to grow over time, resulting in income. People must invest their money in a position where it can receive a high rate of return in order for it to expand. More money would be received if the rate of return is higher. Investment funds, as opposed to savings accounts, aim to deliver higher rates of return. Furthermore, investing is an essential part of starting and growing a company. Many investors enjoy assisting entrepreneurs in their efforts to create new jobs and goods. They enjoy the process of developing and increasing new companies into profitable organizations that can provide them with a high return on their investment.

According to Best (2018) product growth, cash flow management, marketing and sales, and capital acquisition are only a few of the many aspects of increasing and managing a company that business owners must deal with. Perhaps never before has it been more critical for business owners to achieve a comprehensive understanding of both their business and personal financial goals, with a particular focus on leveraging the many components of each for the ultimate benefit of their financial future. The long-term asset mix is essential to any investment strategy, regardless of risk tolerance. This form of limited investment strategy can be highly risky, since it exposes the portfolio to high concentrations of risk, inflexibility, and illiquidity. The aim of asset allocation is to capture the advantages of diversification by assuming that not all assets travel in lockstep and that some are more volatile than others when investing in assets with low correlations to one another Asset allocation is the process of determining the best combination of assets, including the company, to produce returns that are directly related to long-term investment goals. Many business owners

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would eventually divest themselves of partial stakes in their organization to reach an optimum asset distribution.

Also, according to Best (2018) diversification, or the spreading of risk and reward within an asset class, is another important investment strategy. Diversification, in essence, is the conscious embrace of uncertainty, acknowledging that it is nearly impossible to foresee which investment will outperform another. Broad diversification aims to capture the returns of various types of investments over time in all sectors. It's difficult to achieve any degree of diversification if your company is the majority of your assets, which is why it's important to build assets outside of your business.

However, when it comes to working capital management, Mejorada (2011), says that working capital management, as an organization's lifeblood, must be handled efficiently and effectively in order for the enterprise to optimize its activities, maximize its growth potential, and achieve its desired financial position. Working capital is used by a company to carry out activities, such as making products and services available to consumers and clients and paying for operating expenses. Working capital is structured to flow from cash to inventories and services, and then to receivables or cash. As a consequence, it is referred to as an organization's lifeblood.

Increased emphasis on maximizing cash flow is being motivated by economic uncertainty, rising debt levels, and increased scrutiny from shareholders and analysts. Some businesses are overcoming these obstacles. These businesses can achieve significant gains in service delivery, risk reduction, cost reduction, and efficiency by implementing working capital management best practices for saving and spending. Tracking and controlling business liabilities is essential for proper cash outflow management. Managing the cash outflows often necessitates adhering to one basic but fundamental rule: Pay the bills on time, but never before the due date. They also produce liquidity for acquisitions, product growth, debt reduction, share buyback programs, and other strategic initiatives. Working capital management is vital to your company's long-term survival, and it's also essential for determining the company's overall financial health. Working capital is the difference between a company's current assets and current liabilities, and its optimal management ensures a balance of growth, profitability, and liquidity. Receivables, inventory, liquidity, and cash management are some of the most important metrics used by business owners to determine their company's working capital needs.

On the other hand, according to Maneval, (2018) Working capital management is concerned with the relationship between a company's short-term assets and liabilities. The aim of working capital management is to ensure that a company can continue to operate and that it has enough cash on hand to pay off both short-term loans that are due and upcoming operating expenses. Inventory management, accounts receivable and payable, and cash management are all part of working capital management.

RESEARCH METHOD

The descriptive research approach was used in this study. The descriptive method of analysis is a fact-finding study that includes appropriate and reliable interpretation of findings, as is generally agreed.

The main purpose of the study was to assess the financial management practices of SMEs in Nasugbu, Batangas. For the reason, the descriptive research approach was employed to describe the data and characteristics to address the study’s objectives about the population or phenomenon.

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Descriptive method is a set of gathered data or analyzed, summarized, and interpreted that will be use and applied to a specific topic. According to Posinasetti (2012), descriptive method is one in which data is gathered without causing harm to the ecosystem. It's used to find out about the current state of a phenomenon and to explain "what happens" in terms of variables or circumstances in a situation. The methods used range from surveys that explain the current situation to association studies that look at the relationship between variables to developmental studies that look at changes over time. It entails gathering information in order to respond to questions about the study's topic.

The researchers used census to include all the registered small and medium enterprises in Nasugbu, Batangas as their participants, because there are only a total of 42 small and medium enterprises in Nasugbu, Batangas. Out of 42 respondents in Nasugbu, Batangas, only 34 answered questionnaires were retrieved.

The participants of the study are the owners/managers/supervisor/financial representatives of SMEs in Nasugbu, Batangas. The said participant was chosen by the researchers because they are the applicable respondents needed for the completion of the study. They may provide adequate information and data for the study considering the assessment of financial management practices of small and medium enterprises. The researchers based the list of the respondents from the information gathered from the registered SMEs in the Municipal office of Nasugbu, Batangas. Based on the information gathered, the participants of the study have a total number of 34 respondents.

The researchers used survey questionnaire as the tool in gathering data to study the assessment of financial management practices of small and medium enterprises in Nasugbu, Batangas. Survey questionnaire is one of the effective ways to easily gather information necessary for the study. This questionnaire is composed of chronologically arranged questions carefully prepared aimed to get facts or information that are vital for the completion of this study.

The researchers developed the survey questionnaire through the use of research studies, articles, books, and browsing the internet. There are two sections of the survey questionnaire. The respondents' profiles are presented in the first section. The second section includes the other questions with regard to the problem stated in the study. The draft is submitted to the thesis adviser for correction and approval.

In order to aid in assessing the questionnaire if it is appropriate and accurate for the study, the questionnaire was validated by the experts.

For comments, corrections, and suggestions, the first draft of the questionnaire was sent to the thesis advisor. The next draft of the questionnaire was presented to 10 experts who have practical knowledge and expertise to the study at hand, in order to evaluate and correct the questionnaire. Afterwards, survey questionnaire has been revised and finalized by the researchers and the thesis adviser.

In order to have reliable results, the questionnaires must be completed by the researchers in order for them to provide accurate results and unbiased details were subject for final read-through by their adviser and the panel members of their study. Also, the researchers conducted test-retest process to estimate the study's reliability. The test has been given to sample respondents and retested it again after a period of time, to the same people The accuracy of the responses in both experiments was used to determine the instrument's reliability. This was done to ensure that the questions were reliable and relevant, and that the study's issue was justified.

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The researchers personally distributed the questionnaires to the respondents in small and medium enterprises within Nasugbu, Batangas. Finally, upon retrieval of the questionnaires, the researchers then tallied, analysed, and interpreted the data gathered. The percentage of distribution and retrieval of the questionnaires are exactly the same due to the accessibility and availability of the respondents.

FINDINGS AND DISCUSSION

Profile of the Business

For a better understanding of the discussion of the findings, the profile of the business was preliminary investigated to ensure the accuracy of the data.
Table 1 indicates that majority of the businesses operate as service industry with a frequency of 26 or 76%, and the least was the manufacturing industry with only 2 out of 34 SMEs or having a 6% in terms of percentage of the enterprises.

This shows that most of the SMEs in Nasugbu, Batangas were engaged in service industry which provides customer service and contributes to the employability of the residents of the said municipality. With this result, the researchers developed an impression that the service rendering business is most likely suitable to operate in Nasugbu, Batangas.

Table 1 Distribution of the Respondents in terms of nature of business

Nature of Business	Frequency	Percentage
Manufacturing	2	6%
Merchandising	6	18%
Service	26	76%
Total	**34**	**100%**

Table 2 Distribution of the Respondents in terms of years of existence

Years of Existence	Frequency	Percentage
1-6 years	11	32%
7-12 years	14	41%
13-18 years	2	6%
19-24 years	3	9%
25-30 years	1	3%
31-36 years	2	6%
37-42 years	1	3%
Total	**34**	**100%**

Table 2 indicated that most of the years of existence of SMEs in Nasugbu, Batangas are in the range of 7-12 years with the frequency of 14 or which is about 41% of the enterprises, while the small portion of the existence are in the range of 25-30 years with the frequency of 1 or 3% and in 37-42 years with the frequency of 1 or which is 3% of the enterprises.

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It can be interpreted that most of the businesses are in the range of 7-12 years of existence which is 41% of the respondents. This shows that the small and medium enterprises in Nasugbu, Batangas are newly established and still existing in the industry.

Table 3 Distribution of the Respondents in terms of Number of employees

Number of Employees	Frequency	Percentage
10-99	27	79%
100-199	7	21%
Total	**34**	**100%**

Table 3 indicates that majority of the businesses in terms of number of employees range from 10-99 employees with a frequency of 27 or 79%, and the least is from the range of 100-199 employees with a frequency of 7 and have a percentage of 21%.

This shows that most of the SMEs in Nasugbu, Batangas employs 10-99 employees and it may be attributed to the size of enterprises which is the small enterprise. On the other hand, the range of 100-199 employees was attributed in medium enterprises. With this result, the researchers came up the idea that most of the SMEs in Nasugbu, Batangas employs a small number of employees in accordance with the needs of their business operation.

Table 4 Distribution of the Respondents in terms of capitalization

Capitalization	Frequency (n=34)	Percentage (%)
Php3,000,001- Php15,000,000	15	44%
Php15,000,001-Php100,000,000	19	56%
Total	**34**	**100%**

This shows that most of the SMEs in Nasugbu, Batangas relied on capitalization of Php15,000,001-Php 100,000,000, and the small portion of SMEs has a capitalization of Php3,000,001-Php15,000,000. Though majority of the respondents are defined as small as to the number of employees, in this case most of them falls under the category of medium as to capitalization because most of the respondents company falls under service industry that highly requires a high amount of capitalization.

Financial Management Practices of SMEs

The financial management practices implemented by different SMEs were compared, followed by the interpretation of the findings in the same sequential order of the specific questions.

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Table 5 Financial Management Practices of SMEs in terms of Financial Planning

Financial Planning	Mean	Verbal Interpretation	Rank
1. Prioritize business expenditures to conserve financial resources	4.79	Always	3
2.Prepare budget plan for business expenses	4.82	Always	1.5
3. Reserve funds for business expenses such as utilities, printing, rent, bills, payrolls, etc.	4.82	Always	1.5
4. Review business expenses regularly	4.65	Always	7
5. Reserve funds for financial risk, that is,	4.67	Always	6
6. Always consider and maintain emergency funds for the business	4.73	Always	4
7. Provide budget plan for expansion, production, marketing, sales, revenue, etc.	4.70	Always	5
8. Review business budget regularly	4.60	Always	8
9. Provide mechanisms to ensure the financial and operational goals of the business are achieved	4.55	Always	10
10. Ensure the optimal allocation of resources	4.59	Always	9
Average Mean	4.69	Always	

Table 5 shows that majority of the business enterprises in Nasugbu, Batangas always implement and used some practices such as budget plan preparation and reservation of funds for business expenses with the weighted mean of 4.82.

With this result, means that most of the entrepreneurs prepare budget plan and reserve funds for business expenses such as utilities, printing, rent, bills, payroll, etc. and it is implemented by the business owners. This can be interpreted that these practices are excellent in applying to business operation, and these are mostly used financial planning practices. Majority of the enterprises always consider the financial planning practices on the business operation and they always used it as part of financial management practices.

Table 6 Financial Management Practices of SMEs in terms of Investment

Investment	**Mean**	**Verbal Interpretation**	**Rank**
1. Understand investment strategy in order to avoid the common investing mistakes	4.66	Always	1
2. Allocate business assets in both securities and fixed income	4.31	Always	4
3. Focus on diversification	4.28	Always	5
4. Learn how to balance the comfort level with risk against time horizon	4.56	Always	2
5. Communicate to financial advisor or broker before making business investment	4.36	Always	3
Average Mean	**4.43**	**Always**	

Table 6 revealed that majority of the SMEs in Nasugbu, Batangas always implement and used the "understand investment strategy in order to avoid the common investing mistakes" with the mean of 4.66 as an investment practice.

This shows that most of the entrepreneurs understand investment strategy that is used to allocate business funds without common investing mistakes. The data revealed that majority of the respondents understand different kinds of investment practices and they always implement it in order to operate their business. It can be interpreted that these investment practices are excellent as part of financial management practices as being used in business operation.

Table 7 Financial Management Practices of SMEs in terms of Working Capital Management

Working Capital Management	**Mean**	**Verbal Interpretation**	**Rank**
1. Management of cash for saving and spending purposes	4.70	Always	4
2. Prepare cash flow projections for next week, next quarter, even for a year	4.39	Always	10
3. Collect receivables on time	4.44	Always	9
4. Pay bills on time	4.76	Always	1.5
5. Review and follow-up credits	4.68	Always	6

6. Liquidate cash tied up with assets, such as equipment or inventory that can no longer be use	4.56	Always	8
7. Monitor business inventory efficiently	4.75	Always	3
8. Provide funds for business inventory	4.69	Always	5
9. Buy enough resources needed in the business	4.66	Always	7
10. Implement quality control	4.76	Always	1.5
Average Mean	**4.63**	**Always**	

Table 7 indicated that majority of SMEs in Nasugbu, Batangas always implement and used pay bills on time and implement quality control as working capital management practices with the weighted mean of 4.76.

With this result, most of the business owners of SMEs pay bills on time to avoid difficulties in business operation particularly in terms of account payable. The data revealed that majority of the respondents always implement the working capital management practices as part of the financial management in business operation. As the data revealed, it also shows that these are excellent practices under working capital management as used in the daily operation of the business.

3. Significant Difference of Financial Management Practices of SMEs when grouped according to the profile of the business

Table 8. Difference between the Financial Management Practices of SMEs when grouped according to the Nature of Business

Financial Management Practices	F Value	F Critical	Remarks	Decision
1. Financial Planning	278	3.99	Significant	Reject H_o
2. Investment	65.11	3.99	Significant	Reject H_o
3.Working Capital Management	93.94	3.99	Significant	RejectH_o

It can be interpreted that when the enterprises are grouped according to the nature of business, it shows that there is a significant difference on the implementation of financial management practices between them. This also implies that the financial management practices used by small and medium enterprises depends whether they are involved in service, manufacturing, and merchandising industry.

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Based on the results of the study, it reveals that the businesses under manufacturing industry are those enterprises that always implement the financial management practices compared to other industries.

Table 9 Difference between the Financial Management Practices of SMEs when grouped according to the Years of Existence

Financial Management Practices	F Value	F Critical	Remarks	Decision
1. Financial Planning	65.92	3.99	Significant	Reject H_o
2. Investment	35.30	3.99	Significant	Reject H_o
3. Working Capital Management	44.62	3.99	Significant	Reject H_o

It can be interpreted that when the enterprises are grouped according to their years of existence, it shows that there is a significant difference on the financial management practices under financial planning, investment and working capital management. It can also be deduced that the financial management practices are implemented based on the years of existence of the enterprises and it is vary depending upon how long a business operates. The result of the study also revealed that the businesses under 7-12 years of its existence are those enterprises that always implement the financial management practices in terms of financial planning and investment, while when it comes to businesses under 1-6 years of its existence always used working capital management practices in their operation.

Table 10 Difference between the Financial Management Practices of SMEs when grouped according to the Number of Employees

Financial Management Practices	F Value	F Critical	Remarks	Decision
1.Financial Planning	1306.46	3.99	Significant	Reject H_o
2.Investment	274.51	3.99	Significant	Reject H_o
3.Working Capital Management	367.02	3.99	Significant	Reject H_o

It can be interpreted that when the enterprises are grouped according to the number of employees, it presents that there is a significant difference on the implementation of financial management practices. Based on the result of the study, it reveals that the businesses that employ 100-199 employees are the enterprises that always implement the financial management practices in their business operation compare to the other business that employs 10-99 employees.

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Table 11 Difference between the Financial Management Practices of SMEs when grouped according to the Capitalization

Financial Management Practices	**F Value**	**F Critical**	**Remarks**	**Decision**
1.Financial Planning	830.86	3.99	Significant	Reject H_o
2. Investment	201.66	3.99	Significant	Reject H_o
3.Working Capital Management	269.96	3.99	Significant	Reject H_o

It can be interpreted that when the enterprises are grouped according to their capitalization, revealed the significant difference on the implementation of financial management practices. Therefore, the financial management practices used by SMEs are depending upon the capitalization of the business. Also, based on the results of the study, when it comes to implementation of financial planning and working capital management practices, the businesses having the capitalization of Php15, 000,001- Php100, 000,000 are the enterprises that always consider such practices, while the businesses having a capitalization appropriate for small enterprises are those businesses that always consider the financial management practices in terms of investment.

CONCLUSIONS

The following conclusions can be taken from the study's findings:

Majority of the enterprises in Nasugbu, Batangas were engaged in providing services, it shows that the service rendering businesses are most likely suitable to operate in Nasugbu, Batangas. Most of those enterprises falls under 7-12 years of its existence, and employs 10-99 employees which is in accordance with the needs of their operation. Also, majority of them has a capitalization of Php15,000-001-Php100,000,000.

The financial management practices of SMEs in terms of financial planning, investment, and working capital management are always implement by the respondents in their business operation. This means that the small and medium enterprises in Nasugbu, Batangas always implement or apply those practices.

There is a significant difference on the financial management practices of SMEs in terms of financial planning, investment, and working capital management when grouped according to the profile of the business.

RECOMMENDATIONS

In this light of the conclusion drawn, the following recommendations are hereby advanced: Regarding the fact that the respondents always implement the financial management practices of SMEs, the owner/manager may monitor the continuous application of financial management practices of SMEs in Nasugbu, Batangas.

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In view of the findings that the respondents always implement the financial management practices, the small and medium enterprises' owners may attend various training program and seminars in relation to financial management practices for further improvement and development.

Further research be conducted in other municipalities in the region, not only to assess their financial management practices but also to suggest a more beneficial action for a broader scope of growth and development.

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