

**FINANCIAL RECORDING ASSESSMENT ON SMALL SCALE  
ENTREPRENEURS IN LOBOC, BOHOL**

**College of Technology and Allied Sciences  
BOHOL ISLAND STATE UNIVERSITY  
Zamora, Bilar, Bohol**

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**APRIL 2022**

**FINANCIAL RECORDING ASSESSMENT ON SMALL SCALE ENTREPRENEURS  
IN LOBOC, BOHOL**

**A Thesis  
Presented to the Faculty of the  
College of Technology and Allied Sciences  
BOHOL ISLAND STATE UNIVERSITY  
Zamora, Bilar, Bohol**

**In Partial Fulfilment of the  
Requirements for the Degree in Bachelor of  
Science in Office Administration**

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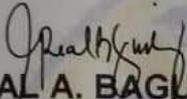
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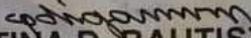
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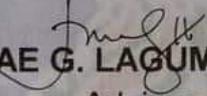
## APPROVAL SHEET

This thesis entitled "FINANCIAL RECORDING ASSESSMENT ON SMALL SCALE ENTREPRENEURS IN LOBOC, BOHOL " prepared and submitted by **Le Ann Camille O. Tecson, Maria Fe S. Jaya and Jeralyn L. Lomod**, in partial fulfillment of the requirements for the degree Bachelor of Science in Office Administration has been examined and recommended for acceptance and approval for final oral defense.

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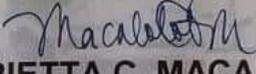
  
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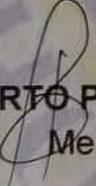
  
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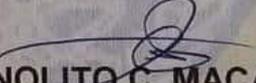
  
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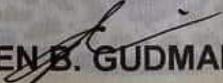
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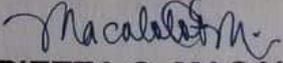
  
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May the Lord continue to shower you with His blessings and love in the everyday of your lives, and may your helpfulness and humility to others bounce back to you a thousand times more.

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## ABSTRACT

Financial record keeping enables business organizations to plan properly and also check for misappropriations of resources of the organization. Keeping proper books of accounts is essential to the growth and survival of a business. This study examined the effect of accounting records keeping on Small Scale Entrepreneurs in Loboc, Bohol. The study was guided by six research objectives as follows: To determine the level of availability of financial record keeping of small scales entrepreneurs in Loboc, Bohol; to identify the challenges faced by Small Scale Business in Loboc, Bohol; to ascertain the entrepreneurs' attitudes toward record keeping; to determine how much financial recordkeeping support the success of the business. To know if there was a significant relationship between the challenges faced by small scale business, and the attitude of entrepreneurs toward financial record keeping; and as to identify whether there was a significant relationship between the financial record keeping availability and the extent of record keeping support in the success of the business. In line with the objectives of this study, a descriptive survey questionnaire was employed as the major instrument for primary data collection. The target population were the registered entrepreneurs of Loboc Public Market. There were only 17 on the 20 questionnaires distributed were collected. Frequency count, simple percentage, weighted mean, and Pearson Correlation Coefficient were used to treat the gathered data. The study discovered that financial records were not kept. They were found to have fairly practiced inventory or physical stock counting on a regular basis, either once a month or once a week. Despite their lack of understanding, they have a good attitude towards recordkeeping, and the desire to practice it. The researchers strongly recommended that small business owners should open a separate business account to make it easier to manage their operations and small scale business operator units should ensure that complete and accurate business records are kept because they are essential for decision making.

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## Chapter 1

### THE PROBLEM AND ITS SCOPE

#### Rationale

Financial recording plays a great role in the success or failure of contemporary business institutions (Uddin et al., 2017). In order to ensure efficiency, effectiveness and the continuing survival of any business organization, management must seek for reliable, relevant, accurate and timely financial information for planning and decision making (Ademola et al., 2013). Keeping proper books of accounts is essential to the growth and survival of a business. A proper system of financial record keeping has become integral part of managing enterprises in today's competitive and challenging business environment. A good financial record keeping enables business organizations to plan properly and also check for misappropriations of resources of the organization (Dawuda, 2015).

Poor bookkeeping could lead to unreported or under-reported items, such as revenues, investment income, rental income or other types of earnings. Flawed bookkeeping records could lead to tax problems with the Internal Revenue Service as well as state and local government agencies (Danford et al., 2014).

Small scale businesses had a pivotal job in building up the Philippine economy. They help decrease destitution by making employments for the nation's developing work power. They account for more than 99% of registered businesses in the country and provide 60% of jobs. They serve as valuable partners to large

enterprises as suppliers and providers of support services. They serve as breeding ground for new entrepreneurs and large corporations. A vibrant MSME sector is thus an indication of a thriving and growing economy. Despite policies that aim to provide an enabling environment for MSME development, the sector still faces various constraints that prevent it from realizing its full growth and potential (Anoos, et al., 2020).

The lack of access to financing has been identified as the most serious constraint to small businesses growth and development. Financing, particularly from external sources such as banks, becomes more important as firms start expanding. Though funds have been made available by government financial institutions and private banks, most MSMEs still have difficulty accessing these funds because of: (1) insufficient collateral, limited credit histories and banking relationships; (2) inadequate financial records and business plans; and (3) high interest rates. MSMEs would thus tend to rely on informal nonbanking channels for financing support (National Economic and Development Authority, 2010).

The purpose of every business entity is to maximize profit. However, this would not be attainable if appropriate steps and measures were not in place in achieving this in business. For any small businesses, it requires strong leadership and accurate decision making. Unfortunately, many of our entrepreneurs fail to succeed because of the lack or absence of accounting skills. The identified problem in this study was that entrepreneurs who are deficient in these skills cannot do well in business. Hence, sustainable performance and economic development would not be achieved. It is for this and other reasons adduced above that this paper which centers on the fundamental accounting skills needed

by small scale entrepreneurs in Loboc, Bohol for sustainable performance and economic development was specifically undertaken. This is the knowledge gap that this study sought to fill.

## **Literature Background**

This study was drawn from the two theories, namely: The Financial Management Theory and the Records Continuum Model. These are the theoretical frameworks that can be used to explain record keeping in small businesses.

The Financial Management Theory states that the way a manager makes decisions, results in either the success or failure of any organization (Brigham & Ehrhardt, 2013). Basically, financial management theory deals with the usage of money in a business, including all acquisitions, sales and expenditure. It's effectively taking financial management theory and applying it to practice applicable to your organisation. Sometimes we just call it finance management and return on investment. Financial management theory will assist you and provide tools, when put into practice will help you achieve the financial goals of the organisation. Financial management theory will be the key to assess further the research intervention and able to help the researchers to fully understand the financial management of the small scales entrepreneurs.

The Records Continuum Model emphasizes the importance of keeping good relationships going between records managers and archivists to address the issues of the life cycle of records, in all businesses. It was created in the 1990s by Monash University academic Frank Upward with input from colleagues Sue

McKemish and Livia Iacovino as a response to evolving discussions about the challenges of managing digital records and archives in the discipline of archival science. The RCM was first published in Upward's 1996 paper, "Structuring the Records Continuum – Part One: Post custodial principles and properties". The model looks at records keeping in organizations in different ways; for example, a record manager focuses on current and future recorded information while the archivist looks at past, present and future use of recorded information in the organizations. This theory shall provide the importance of keeping good relationship along record managers and archivist which is essential to get the information needed for the study.

The policy environment is a critical element that determines the performance and upgrading potential of Small scale businesses. This section presents the policy environment of small businesses in the Philippines, where as the following paragraphs show, recordkeeping is important in a business.

Republic Act 9501 is an act to promote entrepreneurship by strengthening development and assistance programs to micro, small and medium scale enterprises, amending for the purpose of Republic Act no. 6977, otherwise known as the "Magna Carta for Small Enterprises" and for other purposes is a landmark legislation enacted by the Philippine Congress in 1991 as Republic Act 6977 and further amended by Republic Acts as the law meant to develop the Filipino entrepreneurial spirit by providing a business environment conducive for MSMEs.

Created under said Magna Carta to help promote and develop and MSMEs is the Small and Medium Enterprise Development (SMED) Council that

establishes and supervises Negosyo Centers together with DTI as one of the banner programs of the administration.

The Government Accounting Manual (GAM) is prescribed by COA pursuant to Article IX-D, Section 2 par. (2) of the 1987 Constitution of the Republic of the Philippines states that the accounting procedures, books, registries, records, forms, reports, and financial statements shall be used by all National Government Agencies (NGAs) in the reporting of budget, revenue and expenditure in accordance with laws, rules and regulations.

In addition to the Government Accounting Manual (GAM) is prescribed by COA pursuant to Article IX-D, Section 2 par. (2) of the 1987 Constitution of the Republic of the Philippines which provides that: "The Commission on Audit shall have exclusive authority, subject to the limitations in this Article, to define the scope of its audit and examination, establish the techniques and methods required therefor, and promulgate accounting and auditing rules and regulations, including those for the prevention and disallowance of irregular, unnecessary, excessive, extravagant, or unconscionable expenditures, or uses of government funds and properties".

In order to have a background on how to go along with the study, the researchers made some readings on the different literature which have bearing to the present work. This chapter presents related literature written by local as well as foreign authors. This materials enriched the researcher's knowledge and experience adding more pertinence to the study. The following paragraph contains statements that help support important aspects of the study. Each literature discuss elements similar to this endeavour.

Small scale businesses had a pivotal job in building up the Philippine economy. They help decrease destitution by making employments for the nation's developing work power. They account for more than 99% of registered businesses in the country and provide 60% of jobs. They serve as valuable partners to large enterprises as suppliers and providers of support services. They serve as breeding ground for new entrepreneurs and large corporations. A vibrant MSME sector is thus an indication of a thriving and growing economy. Despite policies that aim to provide an enabling environment for MSME development, the sector still faces various constraints that prevent it from realizing its full growth and potential. As of 2010, there were a total of 777,687 business enterprises in the Philippines. Of this figure, MSMEs represented 99.6 percent with 774,664 establishments while large enterprises represented 0.4 percent with 3,023 establishments. Micro enterprises comprised 91.6 percent (709,899) of the total number of MSMEs while small and medium enterprises accounted for 8 percent (61,979) and 0.4 percent (2,786), respectively (Anoos et al., 2020).

These important roles of SMEs can best be sustained through the implementation of fundamental financial and accounting practices (Schwenk & Schrader, 1993). However, it has been reported that many SMEs failed to keep adequate accounting records to generate the much needed accounting information that owner-managers and other users require for their decision making purposes which led to major problems (Howard, 2009).

Madurapperuma et al. (2016) mentions that financial education needs deciding how others are influenced when an individual settles on a budgetary choice. (Buchanan, 2014; Kirman, 2010). It is significant for the country to make

arrangements on the best way to execute the idea of money related education in an ideal way. Record keeping is vital to business management even on smaller business, Small businesses might not share the same financial management problems with large companies but Then again, the absence of access to financing has been distinguished as the strictest requirement for MSME development and improvement. The financial statements should therefore be prepared according to Generally Acceptance Principles.

Another study by Wehrich and Koontz (2001) observed that in daily conduct of the company activities, the company depends much on the financial reports to determine the extent to which actual performance agrees with budget. This is an evidence of a crucial contribution of financial information in assisting decision makers to give optimal decisions. Akande (2011) speculates that for any small and medium scale Enterprises (SMEs) to be successful, owners of businesses must possess appropriate skills and abilities to run the business. To succeed in today's competitive market as an entrepreneur, one needs a broad array of entrepreneurial skills.

Akande (2011) also argued that entrepreneurial skills are those qualities or attributes required for an entrepreneur to start and successfully manage a business in a competitive environment. One of these entrepreneurial skills is the accounting skills. It is therefore very important for entrepreneurs in Nigeria to develop accounting skills for proper management of their businesses in order not to be out of business and also contribute meaningfully to the growth and development of the nation's economy.

According to Osuala (2009), the knowledge of fundamental accounting skills are very imperative for sustainable business. The non-possession of these fundamental accounting skills by SMEs, therefore, constitutes a problem such that, the chances of survival of the business are slim and the probability of imminent failure/collapse become high. Hence every small and medium scale enterprises should strive to acquire and possess these fundamental skills.

Furthermore, according to Onoh (2011), fundamental accounting skills are those competencies in basic accounting required by a person to function competently, confidently, and successfully in the process of carrying out one's function of recording daily business transactions. The capacity and competencies required to prepare the accounting records are the basic accounting skills being studied in his paper. Oyesode (1998) in Nwokike (2010) reveals that no business activity could be successfully operated without the assistance of the accounting skills. This is because procurement and spending of money are involved.

Accounting education according to Nwokike (2010) is the type of education that provides individuals with skills and knowledge in accounting, computing and data processing occupations for gainful employment in private and public enterprises for self-employment. Nwoha (2006) stated that accounting provides managers with the information needed for decision making and exposes them to the various users of accounting information and the interest of the users of such information. The acquisition of fundamental accounting skills will instil on SMEs owners a favourable disposition to prudently manage their enterprises in the most profitable manner to achieve the maximum return on capital invested.

There have been several studies on small scales entrepreneurs in recent times due to the roles they play in socio-economic development of every country. Most of the studies focused on financial records keeping of small scale business and how it affects their financial performances.

According to Danford et al. (2014), record keeping was a greater problem contributing towards the performance and success of Small businesses. Record keeping made a main contribution to the performance and the success of small businesses. The study emphasizes that the small businesses faced unique challenges regarding record keeping in their business ventures. Most small business owners pay more attention to making and sell their products rather than on keeping their books and records correct (Kengere et al., 2010).

Muchira (2014) revealed that SMEs do not keep complete accounting records because of lack of accounting knowledge and the cost of hiring professional accountants. As a result, there is inefficient use of accounting information to support financial performance measurement by MSEs. This made it difficult for the entrepreneurs to calculate their business profit efficiently. Failure of keeping of accurate records was highly blamed on the lack of skills in this field. The study further revealed that the owners and managers of MSEs were highly willing to learn more about how to keep accurate records of their business transactions.

Furthermore, the lack of education and high cost of hiring qualified staff made it very difficult for the owners to keep proper books of accounts. Some also failed to keep proper books of accounts in order to avoid or evade tax. Accounting skills was found to be contributory to business performance and as such

entrepreneurs are advised to embark on capacity building in accounting skill in the area of financial management and record keeping.

Abudu et al. (2015) stated that poor financial records keeping is that, the owners cannot perform financial analysis to establish trends to know whether their businesses are doing well or not. They cannot understand and predict business environment and this can lead to business failure. Effective working capital management would also be a problem for them without keeping good financial records. Inadequate or poor financial records affect users such as government agencies, financial institutions, investors and other users in decision making and economic planning. Avoiding or evading tax payment would have negative impact on the revenue generation capacity of the government since this sector forms larger part of the economy. The findings vividly show that there is generally there is lack of knowledge of recordkeeping by the owners or managers of the MSEs.

Dawuda et al. (2015) claimed that poor records keeping or non-availability of financial records will lead to resources mismanagement and poor cash management and this can cause the business to fail. Poor records keeping makes it difficult to differentiate between business transactions and personal transactions.

Moreover, Dawuda et al. (2015) stated that Qualified Accountants play major roles in decision making process of a business. Accountants with higher skills and experience have greater influence on the decision making process of a business. With their skills and experiences, they are in a good position to measure the financial performance and position of a business. This allows users especially management to plan and make economic decisions.

According to Agbemava et al. (2016) majority of the small business owners do not keep proper accounting records otherwise referred to as incomplete record. Entrepreneurs failed to recognize the importance of well-structured accounting system that would have enabled them to keep accurate financial statement. Lack of accurate financial statement jeopardize the chances of the success of a business.

Boaz (2016) depicted that Quality of record keeping existent in many SSE positively influenced the overall performance of a business. Record keeping in the small business enterprises is characterized by inadequate and un-updated records. In some SSE there was complete absence of record keeping thus they based performance assessment on mental records.

According to Ajao et al. (2016), bookkeeping is the process of recording all financial transactions in a systematic and logic manner. Businesses benefit from the availability of accounting information because it eases the activities of planning, organizing, leading and controlling. Hence, it is recognized that, appropriate bookkeeping/accounting information and financial statements are important for a successful management of a business be it large or small. The necessity of recording all the transactions clearly and systematically cannot be over-emphasized. Prepared on the basis of uniform practices, accounting records enable businesses to compare results of one period with another period. Taxation authorities are most likely to believe the facts contained in the set of accounting records/books if they are maintained according to generally accepted accounting principles (GAAP). Accounting records backed up by proper authenticated vouchers are good evidence in the court of law in the event of fraud by the

customers, suppliers and employees. These accounting tasks are necessary in every organization including small ones

According to Okoye (2017) accounting skills acquired by owners and operators of SMEs in the state will enhance their economic status and businesses Okoye also stated that accounting skills will enhance their business acumen and profitability.

A good financial record keeping enables business organizations to plan properly and also check for misappropriations of resources of the organization. Keeping proper books of accounts is essential to the growth and survival of a business. In order to ensure efficiency, effectiveness and the continuing survival of any business organization, management must seek for reliable, relevant, accurate and timely financial information for planning and decision making.

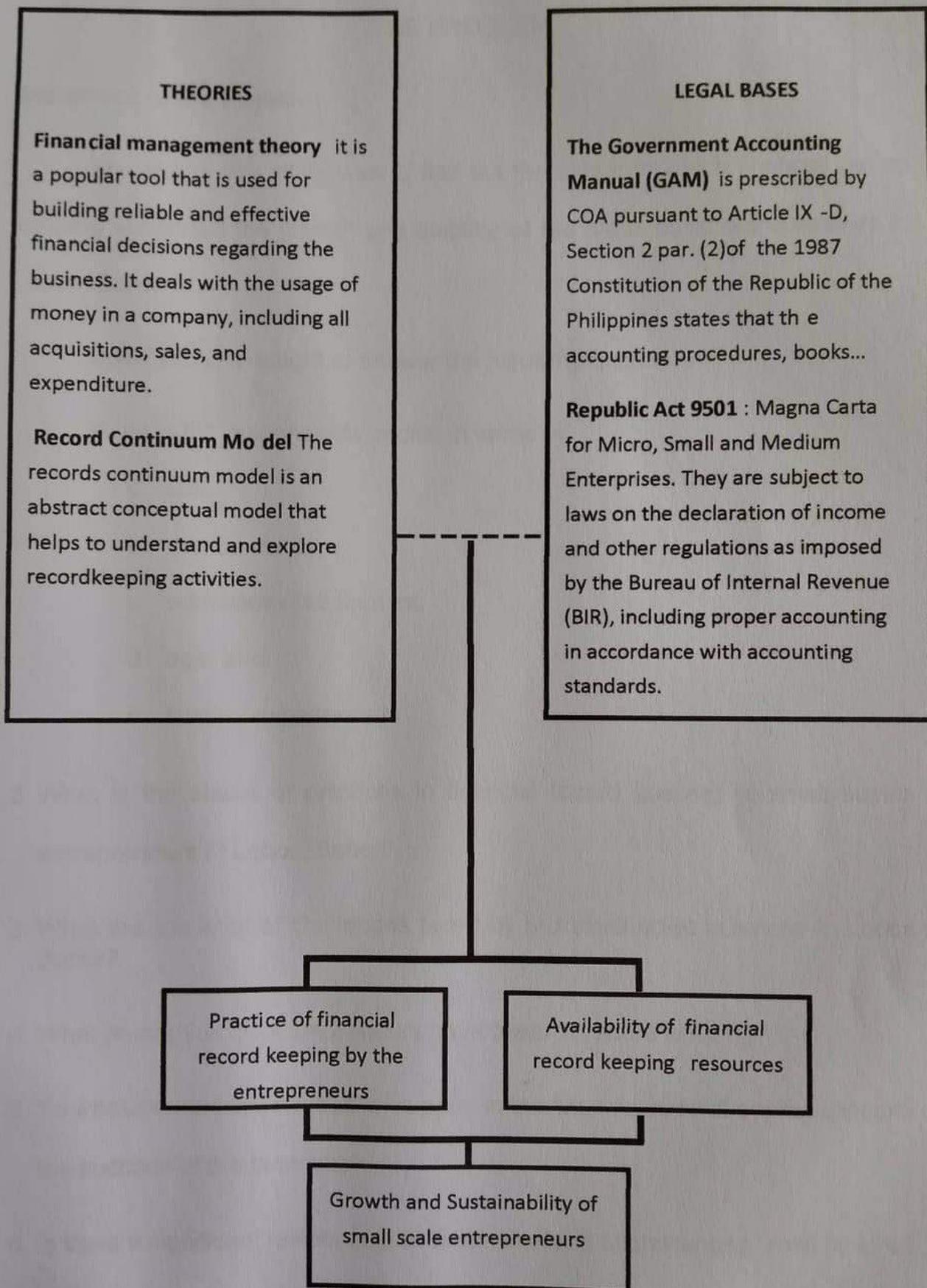


Figure 1

## THE PROBLEM

### Statement of the Problem

The aim of this study was to find out the extent to which financial record keeping supported the growth and stability of the small scale entrepreneurs in Loboc, Bohol.

Specifically, it sought to answer the following questions:

1. What is the respondents' profile in terms of:
  - a sex;
  - b marital status;
  - c educational attainment;
  - d age; and
  - e level of experience?
2. What is the status of practices in financial record keeping of small scales entrepreneurs in Loboc, Bohol?
3. What are the level of challenges faced by the small scale business in Loboc Bohol?
4. What perception do entrepreneurs have towards record keeping?
5. To what extent does the level of support in the financial recordkeeping supports the success of the business?
6. Is there a significant relationship between the level of challenges faced by small scale business and perception of entrepreneurs toward financial record keeping?

7. Is there a significant relationship between the status of practices in record keeping and the level of support of record keeping to the success of a business?

### **Null Hypotheses**

There is no significant relationship between challenges faced by small scale business and attitude of entrepreneurs towards financial record keeping.

There is no significant relationship between the financial record keeping availability and the extent of record keeping support in the success of business.

### **Significance of the Study**

The researchers believed that this study would be beneficial to the following entities:

**Entrepreneurs.** The researchers believed that this study may help owner managers of small scale entrepreneurs to appreciate and adapt basic accounting practices for the success of their businesses.

**Future entrepreneurs.** This study would serve as a guide to the future entrepreneurs for a more effective financial business management.

**Researchers.** This study would be a great help to future researchers to improve their knowledge and ability in analysing information that is relevant to their study.

## RESEARCH METHODOLOGY

### Design

The researchers used a descriptive survey design from Boaz (2011) entitled *Recordkeeping and Performance in Small Business Enterprises: A case study of Kikubo Kiosks in Kampala District*. The descriptive survey attempts to determine the relationship of financial recording on small scale businesses. Moreover, it aimed at obtaining information from a representative selection of the population and from that sample the researcher was able to present the findings as representative of the population as a whole (Mugenda & Mugenda 1999).

### Environment and Participants

This study was conducted in the Municipality of Loboc, Philippines. It is a landlocked municipality on the island of Bohol. It consists of 28 barangays covering 57.65 square kilometers (22.26 square miles), or 1.20 percent of Bohol's total land area. Loboc has long been an inland market village where marine commodities were exchanged for agricultural products from the uplands. The research was conducted at Loboc Public Market, which is located in Camaya-an, Loboc, Bohol, where most business in the town are located.

The total of 20 entrepreneurs with business permits in Loboc Public Market, were the target population. The researchers distributed the 20 questionnaires to the 20 respondents, but Super Typhoon Rai, or Bagyong Odette in local parlance, caused a massive flood in Loboc, wreaking havoc on the businesses of some

Loboc residents. As a result, the researchers were unable to collect the remaining three questionnaires.

### **Instrument**

The researchers used an adapted questionnaire from Boaz (2011) entitled "Recordkeeping and Performance in Small Business Enterprises: A Case Study of Kikubo Kiosks in Kampala District" as research instrument in gathering the necessary data needed in the study. The researchers made some adjustments, such as adjusting the Likert scales and adding extra questions such that each table has eight questions. The adapted questionnaire covered all the aspects of the study variables and was accompanied with a five-point Likert scale response continuum, that is 1 = strongly disagree, 2 = disagree, 3 = undecided, 4 = agree and 5 = strongly agree; 1 = Not Practiced, 2 = Rarely Practiced, 3 = Sometimes, 4 = Practiced, 5 = Fully Practiced; 1 = Very Low, 2 = Low, 3 = Average, 4 = High, 5 = very high.

### **Procedure**

The researchers asked their thesis adviser, department chair and college dean for permission to conduct the study. Following approval, the researchers sent secured a permission letter from the head of the agency of the identified respondents. The questionnaires were directly distributed directly to the respondents in their respective areas and were collected after it was distributed. However, due to the pandemic, there were delays in the data collection to adhere to the strict government-mandated health protocols. Therefore, out of 20 questionnaires distributed to respondents, 17 were returned and the responses were as below  $20/17*100 = 85\%$ . All respondents were assured of confidentiality,

and the academic nature of the research were declared and explained to all respondents in advance. The questionnaire did not require respondents' to reveal their identities. All respondents were approached with tact and professionalism. After the data were collected, the data were coded and analyzed.

### Statistical treatment

To determine the profile of the respondents, frequency counts and simple percentage were utilized using the formula:

Formula:

$$p = \frac{f}{n} \times 100$$

Where:

*P*- Percentage

*f*- Frequency

*n*- Number of Respondents

Weighted mean was used to determine the gathered data with the formula:

$$WM = \frac{5f_5 + 4(f_4) + 3(f_3) + 2(f_2) + 1(f_1)}{n}$$

Where:

WM= weighted mean

*n*= Total no. of respondents

*f*<sub>5</sub>= Frequency of response for Strongly agree/Very High/Fully Practice

*f*<sub>4</sub>= Frequency of response for Agree/High/Practice

*f*<sub>3</sub>= Frequency of response for Neutral/Average/Sometimes

*f*<sub>2</sub>= Frequency of response for Disagree/Low/Rarely Practice

*f*<sub>1</sub>= Frequency of response for Strongly Disagree/Very Low/Never

The Pearson Correlation method was utilized to see if there was a link between the issues experienced and attitudes toward recordkeeping, as well as the level of availability and support recordkeeping provides to the organization with the formula:

$$r = \frac{n(\sum xy) - (\sum x)(\sum y)}{\sqrt{[n\sum x^2 - (\sum x)^2][n\sum y^2 - (\sum y)^2]}}$$

Where:

- r = Pearson Coefficient
- n= number of the pairs of the stock
- $\sum xy$  = sum of products of the paired stocks
- $\sum x$  = sum of the x scores
- $\sum y$  = sum of the y scores
- $\sum x^2$  = sum of the squared x scores
- $\sum y^2$  = sum of the squared y scores

P-value  $\leq \alpha$ : The correlation is statistically significant and if the p-value is less than or equal to the significance level, then you can conclude that the correlation is different from 0. And the P-value  $> \alpha$ : The correlation is not statistically significant. And if the p-value is greater than the significance level, then you cannot conclude that the correlation is different from 0.

Size of Correlation	Interpretation
0.90 to 1.00 (-.90 to -1.00)	Very high positive (negative) correlation
0.70 to .90 (-.70 to -.90)	High positive (negative) correlation
0.50 to .70 (-.50 to -.70)	Moderate positive (negative) correlation
0.30 to .50 (-.30 to -.50)	Low positive (negative) correlation
0.00 to .30 (.00 to -.30)	negligible correlation

## DEFINITION OF TERMS

The terms below were defined to give ideas of the words used in this study:

**A small scale enterprise.** It is or more simply, a small business, is one marked by a limited number of employees and a limited flow of finances and materials. There is no single cut off to distinguish small from medium or large businesses.

**Business.** It refers to organizations that seek profits by providing goods or services in exchange for payment and work that you do to earn money. And an enterprising entity engaged in commercial, industrial, or professional activities.

**Entrepreneur.** It refers to a person who organizes and operates a business or businesses, taking on greater than normal financial risks in order to do so.

**Financial records.** There are documents that provide evidence of or summarize business transactions. A well-organized set of financial records is an essential part of an accounting department. At the most detailed level, financial records can include invoices and receipts. At a more aggregated level, financial records include subsidiary ledgers, the general ledger, and the trial balance. At the most aggregated level, they include the income statement, balance sheet, and statement of cash flows.

**Recordkeeping.** It is the process of recording transactions and events in an accounting system and the activity of organizing and storing all the documents, files, invoices, etc. relating to a company's or organization's activities.

### Chapter 3

#### SUMMARY OF FINDINGS, CONCLUSIONS AND RECOMMENDATION

This chapter presents the summary of findings as well as conclusion derived from the findings and recommendations based on the conclusions of the study.

##### Summary of Findings

As to age, the data showed that most entrepreneurs of Loboc, Bohol were belonged to the age range of 18-30 and 31-50 years old, and majority of the entrepreneurs were females, and married.

In terms of marital status, the study shows that majority of the respondents were married followed by single ones.

In terms of educational attainment, it helps the study to discover whether or not the level of education of respondents influence by their bookkeeping practices. Majority of them had high school education by college graduates and undergraduates to elementary graduate. This means that majority of the respondents had formal education and could read and write.

In terms of Level of Experience, majority has experience of 1-5 years followed by 6-10 years. This means that 10 of the respondents had working experience were able to give reliable information for the study. The results shows that most of the entrepreneurs in Loboc, Bohol had working experience of more than five years.

In terms of Availability of Record Keeping in Small Business Enterprise in Loboc. Majority of entrepreneurs do not practice financial record keeping in their

business. Further, most of the respondents lacked personal knowledge in bookkeeping.

In terms of Challenges Faced by Small Scale Entrepreneurs, the unforeseen expenses had the highest average. The problems that relate to the compliance of the necessary costs incurred to operate the business like inventory payroll and rent.

In terms of attitude towards record keeping, the statement "Record Keeping is key to the success of a business had the highest mean while the statement "Record Keeping had the least mean. Results from the analysis of the responses showed that the entrepreneurs have positive attitudes towards record keeping.

In terms of which extent does the record keeping support the success of the business. The statement " it can bring you peace of mind, help you monitor progress toward goals and save you time and money had the highest mean while the statement, " to have access to credit had the least mean.

## **Conclusions**

The registered entrepreneurs of Loboc, Bohol, do not follow generally acknowledged norms for financial management and control of their businesses, which offers certain dangers to their long-term viability, given their overwhelming size, volume of assets, and revenue earned. Several respondents stated that they did not have any prior expertise with bookkeeping. Unexpected expenses were the most common, as were challenges with complying with mandatory charges incurred to separate the firm, such as inventory, payroll, and rent. They have a good attitude towards keeping records. Further, financial record-keeping

availability and the level of recordkeeping support in the success of the firm are not significantly different.

## **Recommendations**

After a thorough assessment and consideration of foregoing findings and conclusion of the study, the following were recommended of:

1. Small business owners should open a separate business account to make it easier for them to manage their operations. Taxes and tax deductions are major reasons to keep all personal and corporate finances and expenses separate. When it comes to calculating the value and profit of your company, not caring could be an issue.
2. Small scale business operator units should ensure that complete and accurate business records are kept because they are essential for decision making. This can be ensured by undertaking course training on records keeping, and in hiring knowledgeable and skilled workers.
3. There is need for the owners and managers of the small scale enterprises to embrace proper accounting records keeping practices in order to be successful in their financial performance.
4. More efforts need to be channelled in accounting record keeping for effective performance of small scale business units because accounting record keeping strongly affects performance of small scale business units.

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## Appendix A

## Letter



Republic of the Philippines  
**BOHOL ISLAND STATE UNIVERSITY**  
 Zamora, Bilar, Bohol



*Vision: A premier S & T university for the formation of a world – class and virtuous human resource for the sustainable development in Bohol and the country.*  
*Mission: BISU is committed to provide quality higher education in the arts and sciences, as well as in the professional and technological fields; undertake research and development of Bohol and the country.*

November 8, 2021

**DR. MARIETTA C. MACALOLOT**  
 Campus Director  
 BISU-Bilar Campus  
 Zamora, Bilar, Bohol

Ma'am:

Good day!

We, the students of Bohol Island State University-Bilar Campus taking up Bachelor of Science in Office Administration is currently undertaking a research study entitled "**FINANCIAL RECORDING ASSESSMENT ON SMALL SCALE ENTREPRENEURS IN LOBOC, BOHOL**" in partial fulfilment of our subject **OAPE10- Research 2**.

In this connection, we would like to ask permission to gather data and information needed for the study. We will make sure to observe health and safety protocols. Rest assured that utmost courtesy and confidentiality of the data will be observed during the conduct.

Thank you and God bless.

Very truly respectfully yours,

**TECSON, LE ANN CAMILLE O.      JAYA, MARIA FE S.      LOMOD,**  
**JERALYN L.**

Noted by:

Recommending Approval:

**JOAN MAE G. LAGUMBAY, MSBA**  
 Ph.D.

**ARLEN B. GUDMALIN,**

Thesis Adviser

Dean

Approved by:

**MARIETTA C. MACALOLOT, Ph.D.**

Campus Director



Republic of the Philippines  
**BOHOL ISLAND STATE UNIVERSITY**  
 Zamora, Bilar, Bohol



*Vision: A premier S & T university for the formation of a world – class and virtuous human resource for the sustainable development in Bohol and the country.*

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November 8, 2021

**HON. LEON A. CALIPUSAN**Municipal Mayor  
Loboc, Bohol

Good day!

We, the undersigned are fourth year college student taking up Bachelor of Science in Office Administration at Bohol Island State University, Bilar Campus, Zamora, Bilar, Bohol presently conducting the thesis entitled, **“FINANCIAL RECORDING ASSESSMENT ON SMALL SCALE ENTREPRENEURS IN LOBOC, BOHOL”** as a requirements for graduation.

In this connection, we would like to ask permission to allow us to distribute and retrieve questionnaires at Loboc Public Market. We will make sure to observe health and safety protocols. Your approval is a great contribution for the success of this activity to a better development of our study.

We are hoping for your favorable response on this matter. Thank you and more power.

Respectfully yours,

**TECSON, LE ANN CAMILLE O.**      **JAYA, MARIA FE S.**      **LOMOD, JERALYN L.**

Noted By:

Recommending Approval:

**JOAN MAE G. LAGUMBAY, MSBA**  
 Ph.D. Adviser

**ARLEN B. GUDMALIN,**

Dean, CTAS

Approved By:

**HON. LEON A. CALIPUSAN**  
 Municipal Mayor

## Appendix B

## Questionnaire

## QUESTIONNAIRE:

Dear respondent, we are student of Bohol Island State University pursuing a Bachelor of Science in Office Administration. We are carrying out research on financial recording assessment on small scale entrepreneurs in Loboc, Bohol. It is with great pleasure that you have been selected in the sample. This study is basically for academic purposes and the information obtained will be kept with utmost confidentiality. Kindly help us generate solutions to the following Questions: (Tick the appropriate)

## Section A:

## 1. What is your sex?

- A) Male  B) Female

## 2. What is your marital status?

- A) Single  B) Married

## 3. What is your education level of attainment?

- A)  Elementary Graduate  
 B)  Elementary Undergraduate  
 C)  High School Graduate  
 D)  High School Undergraduate  
 E)  College Graduate  
 F)  College Undergraduate

## 4. Age

- A) 18-30  B) 31-50  C) 51-59  D) 60 and above

## 5. What is your Level of Experience?

- A) 1-5 years  B) 6-10 years  C) Above 10  years

For question on ward B please indicate:

1. Not Practiced 2. Rarely Practiced 3. Sometimes 4. Practiced 5. Fully Practiced

**SECTION: B: TO EXAMINE THE STATUS OF PRACTICES IN RECORD KEEPING ON SMALL SCALES ENTREPRENEURS IN LOBOC, BOHOL.**

NO	PRACTICES OF RECORD KEEPING IN SMALL SCALES ENTREPRENEURS IN LOBOC, BOHOL	1 NP	2 RP	3 SOM	4 P	5 F P
1	All money paid out is recorded.					
2	Entrepreneurship is a common feature in the proprietor's family and/or relatives.					
3	Details such as date, goods description and amount on cash sales are recorded					
4	Money received is compared with the total cash sales					
5	All bank deposits made have their deposit slips/pay-in-slips filed					
6	The business has been in position to retain most of its regular customers.					
7	The business has its own bank account separate from that of the proprietor					
8	Record all money spent by the company, for example receipts, petty cash books, orders and delivery notes.					

For question on ward C please indicate:

1. Very Low 2. Low 3. Average 4. High 5. Very High

**SECTION: C TO IDENTIFY THE LEVEL OF CHALLENGES FACED BY SMALL SCALE BUSINESSES IN LOBOC, BOHOL.**

No	LEVEL OF CHALLENGES FACED BY SMALL SCALES ENTREPRENEURS IN LOBOC, BOHOL.	1 VL	2 L	3 A	4 H	5 VH

1	Small businesses face more problems in raising finance					
2	they lack suitable training, and leadership skills to sustain their operations					
3	poor educational background, as majorities are un-educated					
4	lack information about modern technologies and training opportunities which concerns them					
5	Stock levels are monitored through written records or by use of computer					
6	The business experiences low sales due to slow moving goods					
7	Unforeseen expenses					
8	Lack of budgeting					

For question on ward D please indicate:

1. Strongly Disagree 2. Disagree 3. Neutral 4. Agree 5. Strongly Agree

**SECTION D: PERCEPTION TOWARDS RECORD KEEPING.**

No	Perception towards record keeping	1 SD	2 D	3 N	4 A	5 SA
1	Recordkeeping is a key to the success of a business.					
2	Recordkeeping is a tedious activity.					
3	Some business for example micro and small businesses do not require Record keeping.					
4	It is always good to keep record of all transactions in my business.					

5	One should not keep records of transactions that did not go well for his business because the records will discouraged.					
6	My business has been very successful even if I don't practice record keeping.					
7	I would really appreciate if I given chance to learn more about record keeping.					
8	It is a waste of money to employ an Accountant to help in recordkeeping.					

For question on ward E please indicate:

1. Strongly Disagree 2. Disagree 3. Neutral 4. Agree 5. Strongly Agree

**SECTION E: TO WHICH EXTENT DOES THE RECORDKEEPING SUPPORT THE SUCCESS OF THE BUSINESS.**

No	TO WHICH EXTENT DOES THE RECORDKEEPING SUPPORT THE SUCCESS OF THE BUSINESS.	1 SD	2 D	3 N	4 A	5 SA
1	It monitor the progress of your business					
2	Prepare your financial statements					
3	Identify sources of your income					
4	Helps you utilise your time					
5	Keep track of your basis in property					
6	Prepare your tax returns					

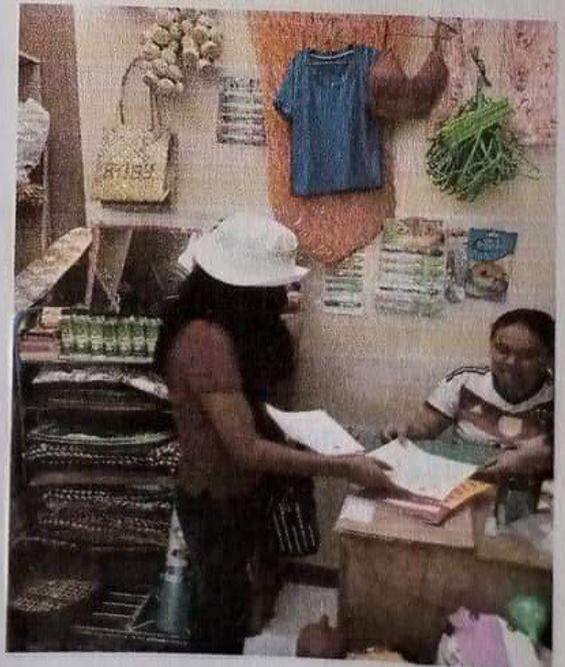
7	It Helps You Manage Your Payments, Payroll & Profit Distributions				
8	It can bring you peace of mind, help you monitor progress toward goals and save you time and money.				

Thank you for your co-operation.

Appendix C  
Raw Data

PROFILE					AVAILABILITY OF RECORD KEEPING								CHALLENGES FACED BY ENTREPRENEURS								ATTITUDE TOWARDS RECORD KEEPING								THE LEVEL OF SUPPORT OF RECORDKEEPING TO THE SUCCESS OF A BUSINESS																							
S	E	C	E	A	A	A	A	A	A	A	A	A	A	C	C	C	C	C	C	C	C	C	C	C	C	C	A	A	A	A	A	A	A	A	A	A	A	A	A	S	S	S	S	S	S	S	S	S	S	S	S	S
X	S	A	E	E	1	2	3	4	5	6	7	8	1	2	3	4	5	6	7	8	1	2	3	4	5	6	1	2	3	4	5	6	7	8	1	2	3	4	5	6	7	8										
1	2	2	3	1	3	4	3	4	1	4	1	4	4	3	3	4	4	4	1	4	3	4	4	4	4	4	4	4	4	4	4	4	4	4	4	4	4	4	4													
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17	2	2	5	4	3	2	2	2	2	3	2	1	1	4	3	4	4	2	2	4	4	5	5	2	2	2	3	3	3	4	4	4	4	5	5	5	5															

Appendix D  
Pictures



## RESEARCHERS BIODATA



### PERSONAL BACKGROUND

---

Name	:	LE ANN CAMILLE O. TECSON
Age	:	21
Home address	:	Candasag, Loboc, Bohol
Date of Birth	:	October 19, 2000
Place of Birth	:	Baybay City, Leyte
Religion	:	Roman Catholic
Citizenship	:	Filipino
Civil Status	:	Single
Name of Father	:	Galo B. Tecson
Name of Mother	:	Julieta O. Tecson

### EDUCATIONAL BACKGROUND

---

Elementary	:	Loboc Central Elementary School S.Y 2011-2012
Secondary	:	Camaya-an National High School S.Y 2018-2019
College	:	Bohol Island State University Zamora, Bilar, Bohol Bachelor of Science in Office Administration

### DEGREE EARNED

---

Bachelor of Science in Office Administration  
School Year 2021-2022

**RESEARCHERS BIODATA****PERSONAL BACKGROUND**

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Name : MARIA FE S. JAYA  
Age : 21  
Home address : Roxas, Bilar, Bohol  
Date of Birth : May 7, 2000  
Place of Birth : Roxas, Bilar, Bohol  
Religion : Roman Catholic  
Citizenship : Filipino  
Civil Status : Single  
Name of Father : Felix A. Jaya  
Name of Mother : Marivic S. Jaya

**EDUCATIONAL BACKGROUND**

---

Elementary : Bilar Central Elementary School  
S.Y 2011-2012  
Secondary : Bilar National High School  
S.Y 2018-2019  
College : Bohol Island State University  
Zamora, Bilar, Bohol  
Bachelor of Science in Office Administration

**DEGREE EARNED**

---

Bachelor of Science in Office Administration  
School Year 2021-2022

## RESEARCHERS BIODATA



### PERSONAL BACKGROUND

---

Name : JERALYN L. LOMOD  
 Age : 23  
 Home address : Subayon, Bilar, Bohol  
 Date of Birth : July 01, 1998  
 Place of Birth : Subayon, Bilar, Bohol  
 Religion : Roman Catholic  
 Citizenship : Filipino  
 Civil Status : Single  
 Name of Father : Bonifacio S. Lomod  
 Name of Mother : Sofia L. Lomod

### EDUCATIONAL BACKGROUND

---

Elementary : Owac Elementary School  
 S.Y 2011-2012  
 Secondary : Bilar National High School  
 S.Y 2018-2019  
 College : Bohol Island State University  
 Zamora, Bilar, Bohol  
 Bachelor of Science in Office Administration

### DEGREE EARNED

---

Bachelor of Science in Office Administration  
 School Year 2021-2022