

THE FUNCTION AND MANAGEMENT
OF FINANCE IN AN ORGANIZATION
(A CASE STUDY OF HOECHST NIG. LTD. (KEJA))

BY

OGIBSI JULIANA

MATRIC NO: 200050305

Being a Research Project Submitted in "Partial"
Fulfillment of the Requirements for the Award of
Diploma in Accounting

TO

The Faculty of Social and Management Science
The Department of Accounting
Adekunle Ajasin University, Akungba
Ondo State

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ONDO STATE.

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CERTIFICATION

I certify that the project report was carried out by Ogbiji Juliana and
Has been read and approved as meeting the requirement of the faculty
of social and management science for the award of diploma in
accounting.

.....
Project Supervisor

.....
Date

.....
Head of Department

.....
Date

DEDICATION

I dedicate this project to Almighty God, my Mum and to my husband.

ACKNOWLEDGMENT

My sincere appreciation goes to my husband Mr. Edward Ogbiji, to my mother Mrs. Magret Okhiku and to my children Maxwell and Elizerbet Ogbiji.

I also extend my appreciation to my elder brother Blessing and my uncle Mr. Godfrey Izikien.

Endless regards to Basil Ikechukwu who made it happen. My regard also to my well wishers and above all to the almighty God.

ABSTRACT

The functions and management of finance in an organisation were investigated. Also some facts such as the background of the study, statement of the problem, objective of the study, research questions, justification of the study, scope of the study, limitation of the study, definition of terms and organization of the study were all considered.

Literatures were consulted and reviewed based on the research topic. Also the financial management function chart were described.

In the research methodology, research design, study population, sampling design and procedure, data collection instrument which includes interview, questionnaire and direct observation and finally, administration of data collection instruments were all tackled by the researcher.

Under the presentation and interpretation of data, the data collected which contain two section were tabulated for easy understanding. Section I covers the distribution of respondents by age, sex, education qualification and designation. While Section II covers the distribution of respondents showing the company's source of finance, management of finance, level of fund raising, use of funds and effect of finance in an organisation. Benefit of the findings, limitation of the findings and comparison of the findings were considered.

From the summary and conclusion based on the findings, some facts were stated as the recommendations to the named organisation.

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CHAPTER ONE

1.0 INTRODUCTION

It is obviously very important to know the functions and management of finance in an organisation. The way funds are raised and likewise utilized is necessary to be considered.

Finance which is the power to a business entity should be treated wisely, because some factors that can tie it down such as mismanagement of funds and embezzlement should be considered into.

1.1. BACKGROUND OF THE STUDY

The topic at hand has been a nagging issue to be considered organisation should take serious note of this problem for positive growth and development of the organisation.

The researcher took up this research work to detect and correct the drawback caused by the topic of study in some organisation that did not considered the factor. Therefore one should investigate on this topic at hand to avoid further occurrence of such problem.

1.2 STATEMENT OF THE PROBLEM

The move toward solving the problem on the functions and management of finance in an organisation look as if there is little or an assurance that the problem can be solved in the near future. The approaches designed to solve

the problem have not leave to the aspirations of the people because they were undertaken without insufficient attention to their economic viability and sustainability.

1.3. OBJECTIVE OF THE STUDY

The general object of this study is to examine the functions and management of finance in Hoestch Nig. Ltd. Company. In specific terms the objects are to:

- (a) examine the functions and management of finance within the organisation.
- (b) examine and analyse the need or role of the functions and management of finance in an organisation.
- (c) examine and highlight the problems confronting the organisation based on the study at hand.

1.4 RESEARCH QUESTIONS

In the course of the study, some research questions were stated to guide the research work. This research questions help to determine what sort of data to be collected and the interring methods to be used. The question include:

- (1) What is the general influence derived from the functions and management of finance in an organisation in terms of income realised?

- (2) What is the general influence derived from the function and management of finance in an organisation in terms of materials (assets)?

1.5 JUSTIFICATION OF THE STUDY

This research work was carried out to determine the usefulness of the study at hand in terms of increasing knowledge and how the research can influence further research in the stated subject.

1.6 SCOPE OF THE STUDY

The extent covered on this research work based on the functions and management of finance in an organisation in Hoestch Nig. Ltd. Company was limited organisation. The research work was conducted in Ikeja, Lagos State. Methods of improving the study at hand were also put into consideration by the researcher.

1.7 LIMITATION OF THE STUDY

In the course of the study, it was difficult to meet the needed person(officer) on seat for interview. Lack of sufficient time was also part of the problems encountered. These was due to the kind of task the workers faced daily, which made them to give little or no attention to the researcher.

Insufficient capital tend to be the ultimate limitation of the study, e.g. money to print more questionnaires and transport fare to the named organisation.

1.8 DEFINITION OF TERMS

- RESEARCH WORK:** This simply means the investigation being carried out by the researcher.
- RESEARCHER:** This is the person carrying out the investigation on the study at hand
- INTERVIEWER:** This refers to the person (workers) being interviewed by the researcher
- RESPONDENTS:** This simply refers to the workers in the company used as the case study
- SAMPLE UNIT:** This also refers to the workers being investigated by the researcher. It can be called population also.
- SIMPLE RANDOM SAMPLING:** This is the sampling method which gives each of the unit in the population to be covered equal chance or probability of being selected.
- CONSTRUCT:** This refers to some concepts which however represent or incorporate other concepts.
- VARIABLES:** These are concepts which can be expressed in terms of a number of different values, qualities and quantities.
- DESK RESEARCH:** This is another name for secondary data collection. It is where ready made literatures are consulted.

1.9 ORGANIZATION OF THE STUDY

This research work covers five chapters, where chapter one covers ten(10) sub-headings, chapter two covers five(5) sub-headings including the brief historical background of named organisation. Chapter three covers five(5) sub-headings while chapter four covers five(5) sub-headings and finally chapter five covers the summary, conclusion and recommendation part of the study.

CHAPTER TWO

LITERATURE REVIEW

2.0 BRIEF HISTORICAL BACKGROUND OF THE COMPANY

Hoestch Nig. Ltd. was established in 1972 in Nigeria by a dutchman named John Hoestch, and the company was incorporated in the same year of its establishment. The company manufactures cosmetics such as claire Naura body cream, claire Naura gel, claire Naura medicated soap, claire Naura toilet soap, claire Naura shampo, Claire Naura hair cream, claire Naura lotion, claire Naura relaxer, claire Naura powder, and claire Naura perfume.

The company has about 1000 employee working under it. It has no shareholders. The company sell the products locally and in most cases export them for sale. The company has a warehouse where their products are being stored.

Their products are one of the best in the market, only it last for a specific period before it become mactive, this is because of the chemical used in producing them. So whenever the products expires, the company dispose them off by selling them in auction price to customer who demanded for them.

The company has various departments under it, They includes:

1. **ADMINISTRATION DEPARTMENT:-** This is the department that make decision to work on by the employee. This decisions are authority given by the superior officer to the subordinate. The department consist of few workers.

2. **LABORATORY DEPARTMENT:-** These are skilled personnel employed by the company, charge with the responsibility of testing and examining the chemical used for the production. There are also few workers working under laboratory department.
3. **PRODUCTION DEPARTMENT:-** This is the major area of the company. It is simply where the transformation of raw materials take place. The products at its raw state are transformed into finished goods in this department, and the department has the highest number of employee.
4. **PACKAGING DEPARTMENT:-** This is the department which re-arrange and package the goods produce in production department. This department do the labelling of the products. The department has the second highest number of employee.
5. **MAINTENANCE:-** This department carry out mechanical and electrical aspect of the company. They are responsible for the servicing of the machines every quarterly. The department has a few number of employee.
6. **MARKETING DEPARTMENT:-** This is the department that carry our the distribution of the products to their various customer who ordered for them. The department is responsible for every sales made in the company, if any lapses arises, the department would be held responsible.

The company usually give credit facilities to their customers. It also give them discount allowance depending on the quantity they purchased. The company as well do home delivery as requested by the customer.

2.1 ***FINANCIAL MANAGEMENT***

Van Horne J. C. and J. M. Wachowicz (2001). defined that financial managements is concerned with the acquisition, financing and management of assets with some overall goal in mind. Thus the decision function of financial management can be broken down into three major areas: the investment, financing and asset management decisions.

INVESTMENT DECISION

This is the most important of the firm's three major decisions. "It begin with a determination of the total amount of assets needed to be held by the firm". Also the flip side of investment-disinvestment-must not be ignored. Assets that can no longer be economically justified may need to be reduced, eliminated, or replaced.

FINANCING DECISION

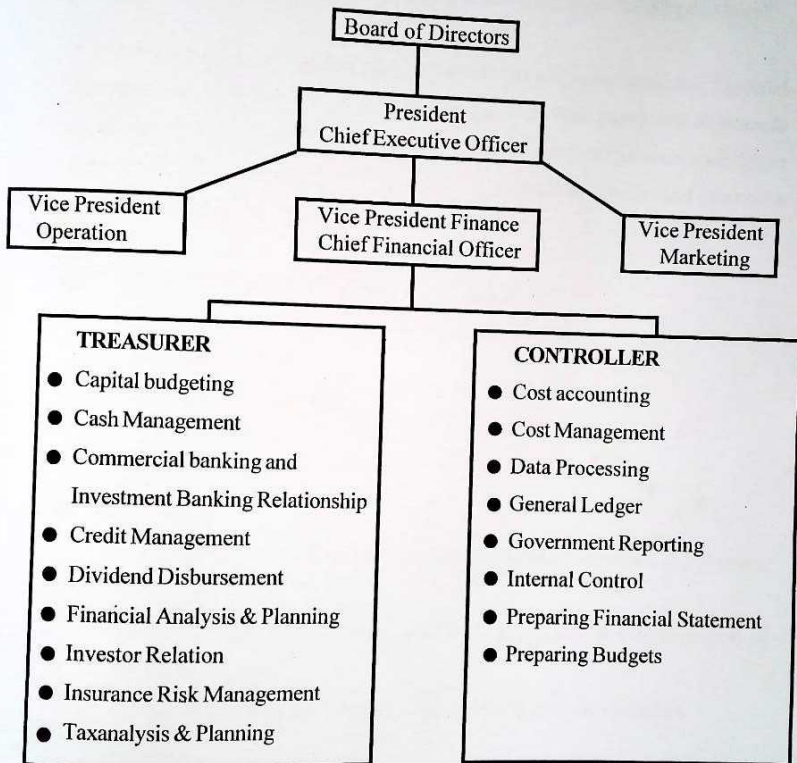
This is the second major decision of the firm. Here the financial manager is concerned with the makeup of the right-hand side of the balance sheet. If you look at the mix of finance for firms across industries, you will see marked differences. Some firm has relatively large amount of debt, while other are almost debt free. In addition dividend policy must be viewed as an integral part of the firm's financial decision. Once the mix still determine how best to physically acquire the needed funds. The mechanics of getting a short-term loan, entering into a long-term lease arrangement or negotiating a sales of bonds or stock must be understood.

ASSET MANAGEMENT DECISION

This is the third important firm's decision. Once assets have been acquired and appropriate financing provided, these assets must still be managed efficiently. The financial manager is charged with varying degrees of operating responsibility

over existing assets. These responsibilities requires that the financial manager be more concerned with the management of current assets than with that of fixed assets.

ORGANIZATION OF THE FINANCIAL MANAGEMENT FUNCTION



2.2 SCOPE OF FINANCIAL MANAGEMENT

According to prasanna Chandra (1997), Financial Management is broadly concerned with the acquisition and use of funds by a business firm. Its scope may be defined in terms of the following question:

- How large should the firm be and how fast should it grow?
- What should be the composition of the firm's assets?
- What should be the firm analyse, plan and control its financial affairs?

While the first three questions express Ezra Solomon's conception of financial management. The theory of financial management. The fourth one represents an addition that we feel is very relevant in the light of the responsibilities should dered by financial management, as related to the central concerns noted above, may be catalogued as follows:

- A. Financial Analysis, Planning and Control
 - Analysis of financial condition and performance
 - Profit planning
 - Financial forecasting
 - Financial control

- B. Investing
 - Management of current assets (cash marketable securities, receivables, and inventories)
 - Capital budgeting (Identification, selection, and implementation of capital projects)
 - Management of mergers, re-organizations and divestments.

C. Financing

- Identification of sources of finance and determination of financing
- Cultivating sources of funds and raising funds
- Disposition of profits between dividend and retained earnings.

2.3 CORPORATE FINANCE AND THE FINANCIAL MANAGER

Ross, Wasterfield, Jordan (1998) discussed that imagine you were to start your own business, No matter what type you started, you would have to answer the following three questions in some form or another.

1. What long-term investments should you take on? That is, what lines of business will you be in and what sorts of buildings, machinery, and equipment will you need?
2. Where will you get long-term financing to pay for your investment? will you bring in other owners or will you borrow the money?
3. How will you manage your every day financial activities such as collecting from customers and paying suppliers?

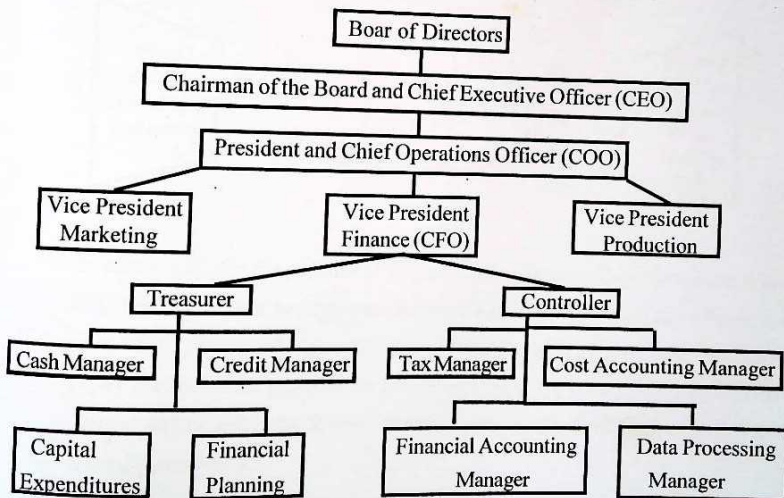
These are not the only question by any means, but they are among the most important. Corporate finance, broadly speaking, is the study of ways to answer these three questions.

THE FINANCIAL MANAGER

The striking feature of large corporations is that the owners (the stock holders) are usually not directly involved in making business decisions. Particularly on a day-to-day basis. Instead the corporation employs managers to represent the

owners interest and make decisions on their behalf. In a large corporation, the financial manager would be in charge of answering the three questions we raised in the preceding section.

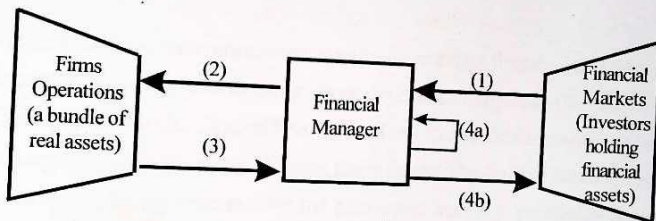
The financial management function is usually associated with a top officer of the firm, such as a Vice President of finance or some other chief financial officer (CFO). Figure below simplified organizational chart that highlights the finance activity in a large firm. As shown, the Vice President of finance coordinates the activities of the treasurer and the controller. The controller's officer handles cost and financial accounting, tax payments, and management information systems. The treasurer's office is responsible for managing the firm's cash and credit, its financial planning, and its capital expenditure. These treasury activities are all related to the three general questions raised earlier.



2.4 THE ROLE OF THE FINANCIAL MANAGER

"To carry on business, companies need an almost endless variety of real assets", as discussed by Richard A. Brealey and Steward C. Myers (1996). Many of these assets are tangible, such as machinery, factories and offices. Others are intangible assets such as technical expertise, trademarks, and patents. All of them need to be paid for. To obtain the necessary money, the company sells pieces of paper called financial assets, or securities. These pieces of paper have value because they are claims on the firm's real assets and the cash that they produce. Financial assets include not only bank loans but also shares of stock, bonds, lease financing obligations and so on.

The financial manager stands between the firm's operations and the financial markets, where investors hold the financial assets issued by the firm. The role of a financial manager can be described thus:



In arrow (1), the flow starts when securities are issued to raise cash. In arrow (2), the cash is used to purchase real assets used in the firm's operations. Later if the firm does well, the real assets generate cash inflows which more than repay the initial investment i.e. arrow (3). Finally the cash is either reinvested (arrow 4a) or returned to the investors who purchased the original security issued (arrow 4b).

2.5 THE ROLE OF FINANCIAL MANAGEMENT

Arthur J. Keown, John D. Martin, David F. Scott and J. William Pretty (1985) discussed that to a large extent, the economic and business activity of the time determined what was of primary importance in the field of finance. "During the early 1900's financial and economic news emphasized consolidation, mergers and public regulations". Thus, these topics received the majority of attention in the field of finance.

As the economy began to expand in the 1920's emphasis in finance shifted to methods and procedures for acquiring funds. The business failures of the 1930's caused an increase emphasis to be place on bankruptcy, liquidity management, and avoidance of financial problems. During the 1940's and early 1950's an increased emphasis was given to liquidity management and cash budgeting.

While the economic environment continued to affect financial thought, many factors together helped to bring about dramatic changes in the mid-1950's. During this time the field of finance evolved to one dealing with all aspects of acquiring and efficiently utilizing those funds. The field of finance continue to develop, being reshaped by the economic activity, primarily increased inflationary worries, and new theoretical developments.

Glen Arnold (1998) proceed on the role of the financial manager. He said "Financial manager has the task of both raising finance by selling financial claims and advising on the use of those funds within the business."

INTERACTION WITH THE FINANCIAL MARKETS

In order to raise finance you need to have a knowledge of the financial markets and the way in which they operate. To raise share (equity) capital awareness of the rigours and processes involved in "taking a new company to market" might be useful. Once a company is quoted on a stock market it is going to be useful to know about ways of raising additional equity capital.

Understanding how shares are priced and what it is that shareholders are looking for when sacrificing present consumption to make an investment could help the firm to tailor its strategy, operations and financing decisions to suit their owners. Another major source of finance comes from banks. At side that there are ways of borrowing which by-pass banks Bond could be issued either domestically or internationally. Medium-term notes, commercial paper, leasing, hire purchase and factoring are other possibilities. Once a knowledge has been gained of each of these alternative financial instruments and of the operation of their respective financial markets, then the financial manager has to considered the issue of the correct balance between the different types what proportion of debt to equity? what proportion of short-term finance to long-term finance and so on?

Perhaps you can already appreciate that the finance function is far from a boring "bean-counting" role. It is a dynamic function with a constant need for up-to-date and relevant knowledge. The success or failure of the entire business may rest on the quality of the interaction between the firm and the financial markets. The financial manager stands at the interface between the two.

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CHAPTER THREE

RESEARCH METHODOLOGY

3.0 INTRODUCTION

In this chapter, various techniques were adopted in carrying out the research work such as the use of instruments like questionnaires, observations, desk research (i.e consulting necessary literatures) etc. The methods applied serve as the basis of evaluating the study and the findings. It also provide enough details to enable the researcher to replicate the study.

The research is a questionnaire based research, the following are taking into consideration: research design, the following are taking into consideration: research design, study population, sample selections procedures, data collection instrument(s), administration of data collection instrument(s).

3.1 RESEARCH DESIGN

This research work is designed to carry our investigation on the functions and management of finance in an organisation of which Hoestch Nig. Ltd. Company is the case study.

The investigation aimed at identifying some variables and their relationships to one another.

3.2 STUDY POPULATION

The workers in Hoestch Nig. Ltd. Company represent the study population of which the researcher investigation on the study at hand was conducted.

The company has large size of population. The researcher was unable to investigate all of them, but a few of the population selected gave more or less the information needed by the researcher. The population investigated were of different ages, sex, marital status, departments etc.

3.3 SAMPLING DESIGN AND PROCEDURE

Sampling which is a subset or part of the entire population of study is designed to select a few of the workers in Hoestch Nig. Ltd. for investigation without being bias.

The sampling procedure used was simple random sampling. This is to ensure that every sample unit (i.e. workers) has the chance of being selected. At side that, the barrier of bias would be avoided through simple random sampling. Two hundred and twenty (220) workers were sampled from various departments within the organisation.

3.4 DATA COLLECTION INSTRUMENT

Date were sourced from both internally (i.e. within the organisation) and externally (i.e. outside the organisation). Communication method which includes the use of interviews and questionnaires and observation method which is a situation where the researcher gather his data by watching and recording information. These two methods were both applied in the course of the study.

(I) *Interview*

Interview as one the communication method applied was used by the researcher to carry out detailed investigation on the topic at hand. The researcher had face-to-face encounter with the workers. Who gave a

self-report answers to the questions being asked. The interview method was used to elicit information about constructs that could not be directly observed by the researcher.

The two types of interviews applied includes:

Structured, standardized or formal interview which has a fixed definite question content and standard, and unstructured or informal interview which does not have specified format of eliciting responses from the interviewee.

(II) The Questionnaire

This is also part of the communication method applied in the course of the investigation. In this method, forms containing carefully selected questions base on the topic of study were distributed to the sampled workers in Hoestch Nig. Ltd. Company to obtain relevant information required for the research work.

The respondents sampled were all given forms to fill and return after completing it, but some of the workers did not return theirs while others filled and returned the forms as expected.

(III) Direct Observation

Direct Observation under the observation method was so advantageous that the researcher obtained the required information by directly watching and observing the workers.

The researcher made sure that accurate observation was ascertained by avoiding duplicate recording of events. The method was a very costly method in terms of capital and materials.

3.5 ADMINISTRATION OF DATA COLLECTION INSTRUMENTS

In this research work, interviews were carried out within the organization by the researcher and observation were also conducted within the organisation. While questionnaire forms were distributed to the sampled workers before other data collection instruments were applied and the workers returned the forms as soon as they completed the filling.

CHAPTER FOUR

DATA PRESENTATION AND INTERPRETATION

4.0 BRIEF INTRODUCTION

Under this chapter, data collected would be processed and re-arranged in such a way that one can easily make a meaning out of it.

The preparation and presentation of data collected would be sorted which involves the analysis of data in order to detect errors that may cause inconsistency if they are used for analysis in their original form.

The presentation will take the form of tabulation, i.e. the data will be presented using table for easy understanding. This table will include section I and II

Two hundred and twenty questionnaires were administered to the respondents.

Only two hundred questionnaires was able to be collected by the researcher.

4.1 PRESENTATION OF DATA

The data collected direct from the field of study can easily make sense when it is sorted. To this reason, the data collected are tabulated below in both section I and Section II. Section I contain information about sex, age, designation and educational status, while Section II contain information about source of finance, management of finance, level of fund raising, uses of fund, and effect of finance in an organisation.

SECTION I

TABLE A: DISTRIBUTION OF RESPONDENTS BY AGE

AGE	FREQUENCY	PERCENTAGE
16 - 25	70	35
26 - 35	65	32.5
36 - 45	45	22.5
46 - 55	17	8.5
55 an above	3	1.5
TOTAL	200	100

This table reveals that the age group of 16 - 25 and 26 - 35 represent the modal with 35% and 32.5 percent, Age group 36 - 45 comes behind with 22.5 percent while age group 46 - 55 and 55 and above represent the least with 8.5% and 1.5 percent.

TABLE B: DISTRIBUTION OF RESPONDENTS BY SEX

SEX	FREQUENCY	PERCENTAGE
Male	130	65
Female	70	35
TOTAL	200	100

The total number of respondents are two hundred (200), one hundred and thirty of the total respondents are males with 65%, while seventy of the total respondents are female with 35%.

TABLE C: DISTRIBUTION OF RESPONDENTS BY EDUCATIONAL QUALIFICATION

QUALIFICATION	FREQUENCY	PERCENTAGE
Pry. Sch. Certificate	15	7.5
Sec. Sch. Certificate	70	35
OND / ND	60	30
B.Sc. / HND	50	25
M.Sc. / MBA	5	2.5
TOTAL	200	100

The educational qualification indicate that large number of respondents fall under secondary school and OND or ND with 35% and 30%, followed by B.Sc / HND with 25%. While M.Sc. / MBA and primary school came behind with 5% respectively.

TABLE D: DISTRIBUTION OF RESPONDENTS BY DESIGNATION

DESIGNATION	FREQUENCY	PERCENTAGE
Manager	10	5
Supervisor	8	4
Staffs	170	85
Others	12	6
TOTAL	200	100

The table above shows that staffs have the highest respondents with 85%, followed by others with 6%, while 1 respondents of Managers and Supervisor came behind with 5% and 4% respectively.

SECTION II

TABLE A: DISTRIBUTION OF RESPONDENTS SHOWING THE COMPANY'S SOURCE OF FINANCE

SOURCE OF FINANCE	FREQUENCY	PERCENTAGE
Debt Finance	40	20
Equity Finance	30	15
Both	130	65
TOTAL	200	100

The table above reveals that the respondents who chooses both represent the highest with 65% followed by debt finance with 20% and equity finance came behind with 15%.

TABLE B: DISTRIBUTION OF RESPONDENTS SHOWING THE COMPANY'S MANAGEMENT OF FINANCE

MANAGEMENT OF FINANCE	FREQUENCY	PERCENTAGE
Non-Efficient	40	20
Efficient	140	70
More Efficient	20	10
TOTAL	200	100

The table shows that the respondents who chooses efficient represent the modal with 70%, followed by non-efficient with 20%, while more efficient came behind with 10%.

TABLE C: DISTRIBUTION OF RESPONDENTS SHOWING THE COMPANY'S LEVEL OF FUND RAISING

LEVEL OF FUND RAISING	FREQUENCY	PERCENTAGE
Long Term Fund Raising	170	85
Medium-Term Fund Raising	5	2.5
Short-Term Fund Raising	25	12.5
TOTAL	200	100

The table reveals that respondents who chooses long-term fund raising have the highest percentage of 85%, followed by short-term fund raising with 12.5%, while medium-term fund raising came last with 2.5%.

TABLE D: DISTRIBUTION OF RESPONDENTS SHOWING THE COMPANY'S USE OF FUNDS

USE OF FUNDS	FREQUENCY	PERCENTAGE
To re-invest	120	60
To Finance other project	20	10
To pay workers salaries	60	30
TOTAL	200	100

The table above shows that reinvestment by the company possesses the highest percentage with 60% of respondent, followed by the pay workers salaries with 30%, while to finance other projects came behind with 10% of respondents.

TABLE E: DISTRIBUTION OF RESPONDENTS SHOWING THE COMPANY'S EFFECT OF FINANCE

EFFECT OF FINANCE	FREQUENCY	PERCENTAGE
Increase cash and assets	120	60
Decrease cash and assets	80	40
TOTAL	200	100

The table above reveals that the total respondents who chooses increase cash and assets have the modal percentage of respondents with 60%, while the total respondent that chooses decrease cash and assets came behind with 40% of respondents.

4.2 BENEFIT OF THE FINDINGS

The findings has helped a lot to understand the workers thoughts and to know the company's current position, i.e whether the company is running into liquidation or still have a brighter future of survival.

The findings will also serve as a desk research to the company whenever they encounter such problem again.

4.3 LIMITATION OF THE FINDINGS

The limitation of the findings arises from the problem(s) encountered in the course of carrying out the research work through the questionnaire forms administered.

The difficulties encountered include: insufficient capital to produce adequate and satisfactory questionnaire forms. Also inability of some workers to return the questionnaire forms distributed to them.

4.4. COMPARISONS OF THE FINDINGS

In the course of the findings under section I concerning the workers age group, age bracket 16-25 and 26-35 possess the highest respondent, followed by age bracket 36-45 with 45 in frequency, while age bracket 46-55 and 55 above have the lowest respondents with 17 and 3 in frequency.

In the distribution of respondents by sex, we discovered that male respondents represent 130 in frequency, while female respondents represent 70 in frequency.

The distribution of respondents by educational qualification reveals that secondary school certificate holders and OND / ND holders possesses the highest frequency of 70 and 60, while B.Sc / HND holders possesses 50 respondents. The primary school certificate holders and M.Sc / MBA holders possess the least respondents of 15 and 5 in frequency.

However, the distribution of respondents by designation shows that staffs has the highest frequency, followed by others with 12 in frequency, while manager and supervisor came behind with 10 and 8 in frequency.

In Section II, the distribution showing the company's source of finance, both has the modal frequency of 130, followed by debt finance with 40 in frequency, while equity finance came behind with 30 in frequency.

The distribution showing the company's finance management, efficient management represent the highest with 140 in frequency, followed by non-efficient management of 40 in frequency, while more efficient management came behind with 20 in frequency.

Distribution showing the company's level of fund raising reveals that long-term fund raising have the modal frequency of 170, followed by short-term fund raising with 25 in frequency, while medium-term fund raising have the least frequency of 5.

In the distribution showing the company's use of funds, to reinvest represent the highest frequency of 120, followed by payment of workers salaries with 60 in frequency while financing other projects came behind with 20 in frequency.

Finally, the distribution showing the company's effect of finance, increase cash and assets represent the highest frequency of 120, while decrease cash and assets represent 80 in frequency.

CHAPTER FIVE

SUMMARY, CONCLUSION AND RECOMMENDATION

5.0 INTRODUCTION

This chapter deals with the summary of research findings and literatures consulted along side the conclusion based on the findings and literatures consulted along side the conclusion based on the findings and literatures reviewed, and finally, recommendation will be made using the conclusion of the research work.

5.1 SUMMARY

From the beginning of this study, the researcher expressed his interest in investigating the functions and management of finance in an organisation in Hoestch Nig. Ltd. Company being used as the case study.

In the course of the investigation, some literatures were consulted and used as a desk research,. According to the findings, the company's source of finance should be both i.e the combination of debt finance and equity finance.

The finding also revealed that the company's finance should be efficiently managed to fortify the company's future. The finding however stated that the company's level of fund raising should base on long-term fund raising.

The findings as well revealed that the company should used the fund generated to reinvest in the business. Finally the effect of finance of the company has helped to increase cash and assets of the company.

5.2 CONCLUSION

Finance which simply represent the capital of the company, plus major roles in a business entity. As blood is necessary for human living likewise finance is to a business entity.

According to the research carried out by the researcher, he discovered that age group of 16-25, 26-35 ad 36-45 are common in the labour force. The researcher also noticed that male workers are more than the female workers.

Concerning the educational qualification, secondary school certificate holders, OND/ND certificate holders and BSc./HND certificate holders are mostly employed. Under the designation, staffs are more in the company followed by managers, whole the rest comes behind.

In sourcing fund, the combination of both debt finance and equity finance should be adopted. Also the company's finance seems to be efficiently managed.

Finally, the company's level of fund raising should be based on long-term fund raising as revealed by the finding.

5.3 RECOMMENDATION

From the investigation carried out, the following recommendations are put forward for the management of Hoestch Nig. Ltd. and other organisation that may likely need it.

- (1) The company should operate both debt finance and equity finance, so that the company would be able to face any unforeseen competition.

- (2) The company finance should also be efficiently managed to avoid shortage of cash and assets or at most liquidation.
- (3) The company should operate a long-term fund raising i.e the company's level of borrowing should be on long-term basis.
- (4) The company's fund should be properly utilized to improve the standard of the business.
- (5) The effect of finance on the company should be improved or better still maintained.

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APPENDIX A

QUESTIONNAIRE FROM

Respondents are expected to fill the questionnaire form as appropriate. Tick like this not

SECTION A

1. What is your name?
2. What sex group do you belong?
Male Female
3. What age bracket do you belong?
16-25 26-35 36-45 46-55 55 above
4. What marital status do you belong?
Single Married
5. What is your designation?
Manager Supervisor Staff Others
6. What academic qualification do you possess?
Primary School Certificate
Secondary School Certificate

- OND / ND Certificate
- B.Sc. / HND Certificate
- M.Sc. / MBA Certificate

7. What department do you belong?
- Administration department
 - Laboratory department
 - Production department
 - Packaging department
 - Maintenance department
 - Marketing department

SECTION B

1. How is finance being managed in the organisation?
- Non Efficient Efficient More Efficient
2. What source of finance does the company operates?
- Debt Finance Equity Finance Both
3. What level of fund raising do the company take on?
- Long-Term Fund Medium-Term Fund Short-Term Fund

4. What does the company do with the fun raised?
To reinvest To Finance other projects To pay workers salaries
5. Is the company making the right financial decision?
Yes No
6. Has the utilization of fund been effective enough?
Yes No
7. Does the company get subsidies from government?
Yes No
8. Has the company ever experience any financial mess?
Yes No
9. Does the company usually give loan(s) to its employee?
Yes No
10. Does the financial manager take his job into consideration?
Yes No
11. How does finance effect the company?
It decreases cash and assets It increases cash and assets