

PASCN Discussion Paper No. 2001-10

Human Resource Requirements of the Financial Sector Under a Liberalized Regime

Leila Calderon, Cheryl Villanueva and Tereso S. Tullao, Jr.



The *PASCN Discussion Paper Series* constitutes studies that are preliminary and subject to further revisions and review. They are being circulated in a limited number of copies only for purposes of soliciting comments and suggestions for further refinements.

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Leila Calderon, Cheryl Villanueva and Tereso S. Tullao, Jr.
De La Salle University-Manila

January 2002

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EXECUTIVE SUMMARY

I. Introduction

The financial sector is one the major sectors of the economy that has undergone extensive liberalization and deregulation in recent years. An essential element of success in any liberalization process is the readiness of parties to compete. Readiness can be viewed in terms of the capability of the domestic firms to face foreign competition and the capacity of the host economy to provide the necessary infrastructure to reap the benefits of liberalization.

The study focuses on the analysis of a major component of the soft infrastructure of the economy- the availability and quality of human resources. The study explores on the capability of the country's financial sector to compete in a liberalized setting from a human resource perspective. In particular, it examines whether the country has the sufficient supply of professionals that is capable of meeting the human resource requirements of domestic and foreign financial corporations as the financial sector becomes more integrated in the world market.

II. The GATS and Financial Liberalization in the Philippines

The General Agreement on Trade in Services (GATS) is a multilateral agreement that covers legally enforceable rights to trade internationally in all services except in the exercise of government. Under the agreement there are several obligations and disciplines that member countries agree to follow. But among these general obligations, three major obligations stand out: most favored nation treatment, national treatment and market access.

Upon accession, member countries are required to make commitments along the four modes of supply; and identify their limitations on market access, limitations on national treatment and additional commitments. Given the modes of supply, the member countries identify their horizontal and specific commitments by scheduling their limitations on market access and national treatment.

On horizontal commitments, the Philippines sets limitations on the market access in all sectors under the supply mode of commercial presence. In addition, there is also a limitation in the acquisition of land. An important limitation in market access that was scheduled in the supply mode of presence of natural persons is the labor market test.

For sector specific commitments, the Philippines has committed the transport services including the sub-sectors on maritime transport services, air transport services, road transport services, rail transport services, the communications services including courier services and telecommunications services, the financial services including banking and insurance, and the tourism sector. We have not made any commitment in business services including professional services.

When the Philippines acceded to the GATS, it has committed to open up banking operations, services offered by non-bank financial institutions and insurance by allowing foreign players to establish and expand various financial operations. For all sub-sectors, we have declared a general limitation on market access in the supply mode of commercial presence. Limitations listed in the horizontal section of the Philippine commitments also apply in commercial presence and presence of natural persons.

In commercial banking, we have committed the liberalization of the acceptance of deposits and other repayable funds from the public; all types of lending; all payment and money transmission services; trading for own account or for account of customers of money market instruments, foreign exchange, derivative products and interest instruments, participation in issues of all kinds of securities, and asset management.

In financial advisory services we have committed the liberalization of underwriting, guarantees and commitments, credit reference and analysis, investment and portfolio research and advice. We have also made commitments in the other sub-sectors of the financial sector. In insurance we have committed to liberalize the life insurance sub-sector, the general non-life, marine, casualty motor car, health and accident, burglary, engineering, suretyship fidelity/surety, and bonds.

III. Demand for Professionals in the Financial Sector

The finance industry, which consists of banks, non-banks and insurance companies, has contributed to the economy an estimated gross value added of PHP 130.3 billion in 1998. This amount is approximately 5 percent of the gross domestic product and 9 percent of the gross value added of the services sector. The bulk of income of the industry was coming from the banking sector (72 percent).

The industry employs some 695,000 workers that constitute around 2.4 percent of the total labor force. Although it takes in only a small portion of the labor force, the capacity of the industry to absorb additional employment has been growing rapidly as shown by an average employment growth of 7 percent annually. This employment growth has been attributed to the expansion of the industry due to the liberalization measures implemented in the 1990s.

In terms of the human resource requirements, the competencies needed in the financial sector cover two categories: competencies common to all workers and specific competencies of various workers. The old generalist and administrative competencies for upper-tier workers, procedural competencies for middle-tier workers, and specialized skills for lower-tier workers are being replaced by the new expertise and entrepreneurship for upper-tier workers, customer-assistance and sales competencies for middle-level workers, and the disappearance of low-skill jobs. The desired skills for the future in the industry include among others the learning to learn, communication, personal management, adaptability, group effectiveness and influence.

According to the Bankers Association of the Philippines (BAP) report on the minimum competencies of college graduates required by the banking industry, oral and written communication skills were cited as the primary requirement of banks for entry level positions. In addition, knowledge of specific banking course electives is required.

According to the key informants in the industry, the human resource requirements are categorized into three: educational qualifications, skills and competencies and personal characteristics. Under skills and competencies, they identified communication skills, analytical skills, computer literacy, background in accounting and finance as the necessary skills in the financial sector. Under personal characteristics, ethical integrity and honesty, industry and high emotional quotient were mentioned as important.

IV. Supply of Professionals in the Financial Sector

According to the Commission on Higher Education (CHED), there are very few schools offering a degree in banking and finance in the country. The practice in many schools, however, is to incorporate finance as a major course in business management, accountancy, business administration, economics, and other commerce programs. Although the accountancy program in many schools are geared towards the training of certified public accountants and auditors through the passing of the CPA licensure examinations, many accounting graduates as well as a large number of CPAs are attracted to finance-related occupations and jobs.

Like any other major business program, the finance curriculum is composed of three broad categories of courses: general education, business professional courses and core professional courses. Many schools offer academic programs more than the required minimum units for general education, business professional courses and the core professional subjects. Since the CHED curriculum sets only the minimum requirement, schools have the option of offering more courses to enhance their programs.

The quality of academic program is influenced to a great extent by a single factor, the quality of teachers. The qualifications of teachers in the program will determine the type of subject offerings, the content of the course, selection of instructional materials and the delivery of instructional activity.

There are also several colleges and universities all over the country offering graduate programs in business. The most prestigious is the Asian Institute of Management. Other universities offering MBA programs are De La Salle University-Manila, University of the Philippines-Diliman, Ateneo de Manila University, University of Santo Tomas and almost all universities cited by CHED as centers of development in business and management education.

However, there are very few institutions offering graduate programs in finance. The scope of finance courses offered in graduate programs by the leading academic institutions reveals certain thrusts and market niches that they want to address. One weakness of these programs is the inadequate foundation in economics. In many graduate

courses in finance abroad, a solid foundation in advanced microeconomics and advanced macroeconomics together with the tools of advanced statistics and econometrics is required among the students.

Complementing the degree programs in finance are non-degree programs offered by various organizations and institutions. The Ateneo-Bankers Association of the Philippines Institute of Banking offers periodic seminars on various aspects of banking. The Association for Investment Management and Research (AIMR) together with the AIM offers review sessions for the Chartered Financial Analyst (CFA) exam. The Financial Executives Association of the Philippines (FINEX), on the other hand, has developed the Financial Management and Analysis Test (FMAT). In addition, various internal training programs are conducted by banks, the Insurance Commission, the Securities Commission and the Philippine Stock Exchange to suit the needs of their finance professionals.

V. Issues and Concerns

5.1. Adequacy of Existing Training Programs in Finance

There are some positive features contributing to the relevance and potential strength of the undergraduate finance education in some select schools in the Philippines. However, quality and other academic constraints make the undergraduate programs in finance inadequate to meet the demands of a rapidly growing field brought about by globalization and information technology. This deficiency is supposed to be answered by the various graduate programs in finance and related fields. However, in spite of the growth in the financial sector, students in these programs are very few compared to the students in the MBA programs in these universities.

It seems that the emerging role of schools is not primarily the training of human talents with highly specialized skills in finance. What the financial sector needs are individuals with good communication skills and analytical skills or highly trainable and adaptable individuals. If this is the case, our undergraduate programs in finance should be well grounded in the foundation courses that stress the training of students in communication skills, critical analysis and human relations skills. The relevant and appropriate training programs for financial specialists, therefore, are the non-degree continuing professional education programs conducted by several professional organizations. These programs are task-specific, skills-oriented and tailor-made to suit the needs of financial professionals in a rapidly changing financial sector.

5.2. Quality of Graduates

In many schools, finance students are perceived as second class citizens compared with accounting students. Even in the labor market, this perception continues as many firms hire accounting graduates with special premium for CPAs for finance-related job. Is this a manifestation of screening process in the job market? Does a CPA applicant possess a package of good information on his ability to perform his job adequately? If the

labor market for financial services continue to hire CPAs, and MBAs first before considering those with finance degree the latter may end up in the second tier of jobs and firms.

5.3. Matching Industry Needs with Educational Capacity

There is a view in the industry that there is more than enough finance graduates to fill in the available positions but too little graduates who can meet the standards set by the finance industry. Only graduates from the top Philippine universities can meet the industry's criteria. Aside from poor communication skills and lack of computer literacy, the inappropriateness of their knowledge of finance with the requirements of a globalized financial sector are often cited as problems in hiring new graduates. There is a need for the educational system to continually review and upgrade its curriculum to be responsive to the needs of the industry.

5.4 Human resources issues confronting the financial sector

In terms of **recruitment and selection**, a person with a degree in commerce, accounting, finance, economics and even computer science is usually hired for entry positions in the financial sector. Although there are no professional license requirements, some degree of screening is observed in many banking institutions with preference shown on graduates from top three schools in the Philippines. In terms of **training and development**, there is a need to update and upgrade existing programs. The focus should be towards the developments and requirements of an integrated financial market.

5.5. Improving Undergraduate Education in Finance

Although we believe that an undergraduate education in finance should not be too specialized and be considered as the sole training ground for skills in financial services, there are various ways of improving the program. Aside from the emphasis on the foundation courses, specialized courses in banking should be offered or at least introduced. There is value in improving the undergraduate curriculum in terms of focus, contents and relevance to the needs of the financial sector, however, the key issue is the improvement in the quality of teachers.

5.6. International Cooperation

It is possible that with the liberalization of the financial sector, training programs on the innovations in the field developed by foreign financial institutions may also accompany the entry of foreign service providers. Thus, we should welcome the entry of foreign financial institutions since they serve as conduit in upgrading the skills and competencies of Filipino professionals in the field of finance. Because the need for highly-trained professionals in finance is not only a requirement in the Philippines but also in other countries in the region, it may be wise for professional organizations, in banking, finance and insurance, to establish a consortium arrangement with the key universities in the region for the conduct of specialized training programs in finance.

VI. Policy Recommendations

6.1. There is a need to continually review and upgrade the curriculum in finance to reflect the dynamic changes in the financial sector under a liberalized regime.

6.2. There is a need to upgrade to quality of teachers in business and finance through graduate education and continuing professional education.

6.3. Undergraduate programs in finance should be well grounded in courses that train students in communication skills, critical thinking and human relation skills. The training of specialized skills in finance, on the other hand, can be done through non-academic training programs conducted by professional organizations.

6.4. There is a need to professionalize finance specialists through an examination for financial analyst.

6.5. Upgrading the skills of finance specialist to meet international competition should be matched by an upgrading of compensation package to arrest any egress of professionals.

6.6. The improvement of academic curriculum and quality of teachers should be complemented by a balance mix of full-time faculty and part time teachers.

6.7. Emphasize the role of financial economics in the finance curriculum.

6.8. Refocus the accountancy program away from public accounting by developing a program towards financial accounting or management accounting.

6.9. Professional organizations in banking, finance and insurance should establish consortium arrangement with key universities in the region for the conduct of specialized training programs in finance.

Human Resource Requirements of the Financial Sector Under a Liberalized Regime *

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Abstract

This study looked at the human resource requirements of the financial sector under a liberalized regime within the (GATS) framework. The study covered the personnel requirements of the banking, stock brokerage and insurance sub-sectors. Using key informants, the study identified the human resource requirements of the financial sub-sectors in terms of educational attainment, technical skills and competencies, work experience and personal characteristics. In addition, it reviewed the finance curriculum of various undergraduate and graduate programs in selected academic institutions as well as special training programs offered by various financial organizations. Part of the evaluation is the identification of gaps between the finance curriculum and the requirements of the finance service industry.

I. Introduction

The financial sector is one the major sectors of the economy that has undergone extensive liberalization and deregulation in recent years. The country has opened up the sector to international players on various modes of supply subject to certain limitations on market access and national treatment. When the Philippines acceded to the General Agreement on Trade in Services (GATS) under the World Trade Organization, it has committed to open up banking operations, services offered by non-bank financial institutions and insurance by allowing foreign players to establish and expand various financial operations.

An essential element of success in any liberalization process is the readiness of parties to compete. Readiness can be viewed in terms of the capability of the domestic firms to face foreign competition and the capacity of the host economy to provide the necessary infrastructure to reap the benefits of liberalization.

The study focuses on the analysis of a major component of the soft infrastructure of the economy- the availability and quality of human resources. The study explores on

* * This study was made possible through a research grant from the Philippine APEC Study Center Network (PASCN) given to the Angelo King Institute for Business and Economic Studies research team on *Impact, Risks and Opportunities under Financial Liberalization and Integration: A Macro-Micro Analysis*.

the capability of the country's financial sector to compete in a liberalized setting from a human resource perspective. In particular, it examines whether the country has the sufficient supply of professionals who are capable of meeting the human resource requirements of domestic and foreign financial corporations as the financial sector becomes more integrated in the world market. Aside from the number of professionals, the study identifies the various skills and competencies that are needed in a liberalized financial sector. In addition, it examines the current status of various forms of human capital formation, and how it is linked with the human resources requirements of a liberalized financial sector. Lastly, it reviews the programs and plans of academic institutions, finance corporations and professional organizations in preparing our local talents to continually update themselves and prepare for global competition.

1.1 Objectives of the Study

- I.1.1. Review the changes in the financial services brought about by the liberalization of the sector
- I.1.2. Outline the anticipated changes in the Philippines commitments in the financial services under the GATS
- I.1.3. Identify the skills, competencies and human resource requirements needed to answer these changes in the financial services sector
- I.1.4. Review curriculum offerings of degree courses of selected business schools and the non-degree programs of other institutions in the light of the requirements a liberalized setting in the financial sector
- I.1.5. Design a demand-supply analysis of the skills requirements under a new financial environment
- I.1.6. Identify the role and possible contributions of various academic, finance-related organizations in preparing and upgrading the needed professionals in the financial service sector

1.2. Significance of the Study

Several studies have been made on the adjustment mechanisms and readiness of domestic firms with the entry of foreign competitors under a liberalized setting. What is overlooked in these studies is the other component of readiness- the availability and quality of infrastructure that will provide the appropriate environment for a liberalization process to prosper. The human wealth of an economy is a major component of this social infrastructure that enables the country to reap the benefits of liberalization and deregulation.

A systematic listing and analysis of the needed skills, competencies and professional manpower needs will be a beneficial input to educational institutions in updating and revising their curriculum to meet human resource requirements of the financial sector. In addition, the study may serve as a basis for formulating a continuing education program that financial institutions and appropriate professional organizations may consider. More importantly, the study can start a collaborative effort on the part of educational

institutions, financial corporations and professional organization in mapping out human resource development plan for the financial sector.

1.3. **Review of Related Literature**

The link between education and trade can be traced indirectly to the Stolper-Samuleson theorem within the Heckscher-Ohlin trade analysis framework. As an economy adopts a more open trade environment in commodities, the beneficial impact of trade will accrue to the owners of the abundant factors of the country that are used intensively in the production of export commodities. According to this view, laborers in a labor abundant country will be favorably rewarded under a more liberalized trade regime with enhanced employment and higher wages.

Similarly, the country that specializes in the production of commodities that use skilled manpower intensively will experience higher demand for education and training as the demand for skilled professionals increases under a liberalized trading environment. According to Stokey (1991), since trade alters relative prices and wages in the small economy, it will also change the returns on investments in human capital. This may strengthen or weaken the incentives for human capital accumulation. Thus, if a small country is backward in terms of skilled manpower relative to the rest of the world, free trade will lower the relative prices of goods produced by highly skilled labor and hence will reduce the return to investment in that skill.

However, with the liberalization of trade in services, including many key factor inputs, the incentive to demand education becomes significant again even if the country does not have a comparative advantage in the production of commodities using highly skilled manpower. With a freer flow of trade in services, the host country to these inflows of services will have to invest in human capital to prepare domestic players for competition with foreign entrants. In addition, greater flows into the host country, together with the accompanying benefits, will only be fully realized if foreign service providers are able to recruit competent and skilled manpower domestically.

Mallea (1997) has identified professional preparation, professional competency, continuing education and quality assurance as the key issues that may affect the direction of trade in professional services. These same issues are likely to surface in the liberalization of financial services since part of the supply mode being liberalized is the movement of human persons. For example, professional preparation can take the various forms of investment in human capital. A specific question that economists and educators often ask is the optimal form and mix of investment in human capital that an economy should adopt towards an efficient preparation of skilled and competent professionals.

In formal education, which is an essential ingredient in the process of professional preparation, there is a basic question and an on-going debate on the orientation of higher education. One school of thought believes and emphasizes the role of liberal arts and general education. On the other hand, the pragmatists from the manpower planning school of thought put greater value in technical and professional training to ensure

minimal mismatch between the needs of industry and graduates of educational institutions.

A strong general education is preferable to some educators for several reasons. General education is adaptable to changing technologies and prepares the individual for life-long learning. Together with on-the-job training programs as well as continuing education programs, they constitute an optimal mix that can enhance labor productivity. This view was echoed in a study by Rumberger and Levin (1989) which showed that a highly specialized formal education can become obsolete in a few years, and graduates are not able to upgrade due to their limited skills in learning new things, which is often acquired in general education.

Related to this issue is a relevant study of Nadurata (1999) on the importance of general education. According to the study, grades in general education of accounting graduates are significant predictors of competence and performance in auditing firms. On the other hand, grades in accounting and auditing subjects are significant predictors of students' performance in CPA board exams.

Beyond general education and professional skills training, the more basic question being asked by economists is the link between education and productivity of workers. The human capital theorists, (Shultz (1961), Denison (1962) and Becker (1975), have argued and verified empirically the positive relationship between investment in education and training with the productivity of workers. However, the link has been questioned on theoretical and empirical levels. The impact of ability and socio-economic status of workers, for example, have been cited as significant factors that can reduce the estimated rates of return to education and the unexplained residuals to growth.

On a theoretical ground, the asymmetric information between individuals and employers can give rise to a different perspective on education that is disconnected from productivity. According to this view, individuals invest in education to enhance their employability not because it can increase their productivity but because education sends signals to employers that educated individuals have the ability and the potentials of being more productive. Since productivity enhancement is company-specific as well as based on individual ability, education informs the employer that an educated individual is trainable and possesses the qualities of a potentially productive worker. Thus, education, through its screening process, sorts individuals at the school level who can be productive in the work place. The investment in education, in effect, expands the limited information available to future employers about future employees.

Given this view, the role of education in directly enhancing productivity is severed. The previous question on what type of education efficiently prepares students to the work place becomes which type of education increases the information to the employers on the individual ability and potential productivity. Although, the arguments for viewing education as a screen and an information-enhancing activity, empirical studies do not support such view, at least the strong version, and still maintains a partial preference to the human capital approach. (W. Groot, and H. Hartog, 1995)

Related to this debate on education and productivity is issue on the impact of technological progress on skills requirements of jobs in various sectors of the economy. One school of thought considers the impact of technological progress on upgrading skills. (Rumberger, 1984). Technological innovations including the use of computers are upgrading the skills requirements of existing jobs in many occupations. The alternative perspective, on the other hand, is the deskilling trend in capitalist economies to lower cost and maintain control over the work force. (Branerman, 1975, Zimbalist, 1970). The middle ground view considers technology as having an impact on skills and educational requirements of jobs, but the effect is not uniform across industries. In some industries, there is positive upgrading while in other industries, there is deskilling.

Flynn (1988) based his prediction on the impact of technology on skills requirements on what he termed as skill-training life cycle. In the early stage of the technology, the impact is the upgrading of skills. Over time, there is a mixed effect. Once the technology is learned and segmented and standardized, training is shifted to vocational and educational institutions, and there is skills downgrading. In addition, Rumberger (1984) posits that the impact of technology on skills requirements is conditioned by several factors including market forces, managerial strategies and selected organizations factors.

II. The GATS and Financial Liberalization in the Philippines

2.1. An Overview of the General Agreement on Trade in Services (GATS)*

The General Agreement on Trade in Services (GATS) is a multilateral agreement that covers legally enforceable rights to trade internationally in all services except in the exercise of government authority. The agreement also serves as an avenue of economic growth for all trading countries in addition to putting in place a set of transparent rules and regulations limiting the intervention of governments and other institutions in the flow of trade in services.

Previous trade negotiations did not cover services mainly due to problems arising from the non-tradability of most services. Difficulties in transport and storage as well as the need for physical proximity between consumers and suppliers did not lend services to international trade. In addition, government regulation has prevented the global transactions of services. Thus, to protect consumers, maintain public safety and provide national security in an environment of asymmetric information between service providers and consumers government has to regulate the provision of a service.

The developments in information technology, rapid improvements in telecommunications, expansion of foreign direct investments and the rise in the global flow of human resources exerted pressures for the substantial growth in international trade in services. Domestically, the contributions of the services sector in terms of value

* This section is taken from Tullao, T.S. 1999. Professional Accreditation in the Liberalization of Trade in Services. CBE Working Paper Series 1999-06. De La Salle University-Manila.

added and employment have grown significantly. For these reason, the negotiators of the last global trade negotiations felt the need to draft an international agreement on services.

There are several obligations and disciplines that member countries agree to follow. But among these general obligations, three major obligations stand out: most favored nation treatment, national treatment and market access. The most favored nation treatment (MFN) refers to the non-discrimination in the treatment among foreign service providers. In particular, Article II Section 2 of the agreement states that, ***‘Each member shall accord immediately and unconditionally to services and service suppliers of any other Member treatment no less favorable than that it accords to like services and service suppliers of any other country.’*** However, the MFN treatment does not prohibit a group of countries from extending among themselves preferential concessions to enhance trade in services.(Tullao, 1999)

National treatment, on the other hand, refers to the non-discrimination in the treatment of domestic and non-local service providers. Article XVII Section 1 specifically provides that ***“each Member shall accord to services and service suppliers of any other Member, in respect of all measures affecting supply of services, treatment no less favorable than that it accords to its own like services and service providers.”***

Market access refers to the lifting of various forms of limitations on the number of service providers, value of service transactions, number of persons employed by service providers, value of foreign capital, and the restriction or requirement on a specific type of legal entity in establishing a supply provider. Member countries with market access commitments are prohibited by Article XVI Section 2 to maintain these limitations and restrictions. (Tullao, 1999).

Upon accession, member countries are required to make commitments along the four modes of supply; and identify their limitations on market access, limitations on national treatment and additional commitments. The four modes of supply, such as cross border, consumption abroad, commercial presence, and presence of natural persons, describe the alternative manner trade in services can take its form as defined in Article I of the agreement. Cross border refers to the supply of service from one territory into another territory. Consumption abroad is the purchase by foreigners of services in the territory of another country. In the case of commercial presence, the service providers are present in the territory in which they supply the service through the establishment of offices, branches, agencies, joint ventures and other forms of equity participation. Presence of natural persons, on the other hand, refers to the entrance and temporary stay of the individuals into the territory of another country to supply services (Tullao, 1999).

Given these modes of supply, the member countries identify their horizontal and specific commitments by scheduling their limitations on market access and national treatment. Horizontal commitments are limitations on market access and national treatment by modes of supply across all committed sectors of the country. On the other hand, the list of limitations on market access and national treatment by modes of supply by specific sectors is a specific commitment of the country.

2.2. Initial Commitments of the Philippines under the GATS

On horizontal commitments, the Philippines sets limitations on the market access in all sectors under the supply mode of commercial presence. In particular, it states that *“participation of foreign investors in the governing body of any corporation engaged in activities expressly reserved to citizens of the Philippines by law shall be limited to the proportionate share of foreign capital of such entities.”* In addition, there is also a limitation in the acquisition of land. *“Foreign investors may lease only private owned lands.”*

An important limitation in market access that was scheduled in the supply mode of presence of natural persons is the labor market test. *“Non resident aliens may be admitted to the Philippines for the supply of a service after a determination of the non-availability of a person in the Philippines who is competent, able and willing, at the time of application, to perform the services for which the alien is desired.”* This labor market test must be reviewed within two years as required by GATS.(Tullao, 1999)

For sector specific commitments, the Philippines has committed the transport services including the sub-sectors on maritime transport services, air transport services, road transport services, rail transport services, the communications services including courier services and telecommunications services, the financial services including banking and insurance, and the tourism sector. We have not made any commitment in business services including professional services.

In transport services, a limitation on market access in the supply mode of presence of natural persons was listed. Specifically *“only aliens qualified to hold technical positions may be employed within the first five years of operation of the enterprise. Their stay should not exceed five years. Each employed alien should have at least two Filipino understudies.”* The same limitation was scheduled in insurance under financial services. In maritime transport services, foreign workers are allowed as supernumeraries in specialized vessels for only six months.

In tourism, various limitations on the temporary stay of foreign professionals and workers were scheduled. A maximum of four managerial positions was set for hotel and resort establishments. Moreover, foreign workers are allowed during the pre-operation stage and initial stage of operations of new hotels and resorts up to three months and renewable for another three months. There are also limitations on the number of aliens that can be hired in specialty restaurants. For travel agencies, it is specified that *“managers and executives must be resident Filipino citizens.”*

2.3. Specific Commitments in the Financial Sector

The financial sector is one the major sectors of the economy that has undergone extensive liberalization and deregulation in recent years. The country has opened up the sector to international players on various modes of supply subject to certain limitations

on market access and national treatment. When the Philippines acceded to the General Agreement on Trade in Services (GATS) under the World Trade Organization, it has committed to open up banking operations, services offered by non-bank financial institutions and insurance by allowing foreign players to establish and expand various financial operations.

For all sub-sectors, we have declared a general limitation on market access in the supply mode of commercial presence. In particular, “authorization to establish commercial presence or expand existing operations in banking and other financial services (excluding insurance) shall be subject to a determination by the concerned regulatory authorities whether public interest and economic conditions justify the issuance of such authorization.” Limitations listed in the horizontal section of the Philippine commitments to GATS shall also apply in commercial presence and presence of natural persons.

In commercial banking, we have committed the liberalization of the acceptance of deposits and other repayable funds from the public; all types of lending including consumer credit, mortgage credit, and financing commercial transactions; all payment and money transmission services including credit, charge and debit cards, travelers cheques and bankers draft; guarantees and commitments; trading for own account or for account of customers of money market instruments, foreign exchange, derivative products including futures and options, exchange rate and interest instruments including products such as swaps, forward rate agreements and other allowable negotiable instruments and financial assets; participation in issues of all kinds of securities including underwriting and placement as agent and provision of services related to such issues; asset management, such as cash or portfolio management, all forms of collective investment management, custodial, depository and trust services.

The country has also identified certain limitations in commercial banking. For example, cross-border supply requires commercial presence. In addition, there are certain limitations on commercial presence including 30 percent maximum (40 percent if approved by the President of the Philippines) in the voting stock of foreign equity in existing and new domestic commercial banks. Deposit taking is only extended to domestic commercial banks and to the four grandfathered foreign bank branches. Foreign participation in the board of directors is limited to one-third of the board total membership. There is a ceiling imposed on equity ownership (20 percent for individuals and 30 percent for corporations). Acceptance of deposit substitutes, guarantees and commitments require prior authorization. Commercial bank with expanded commercial banking authority may conduct performance of trust, investment management and other fiduciary business, and underwriting.

In financial advisory services we have committed the liberalization of underwriting, guarantees and commitments, credit reference and analysis, investment and portfolio research and advice. We have also made commitments in the other sub-sectors of the financial sector including factoring; financial leasing, money broking and foreign exchange broking; credit card services; promotion and provision of information about the

services/products offered by the foreign bank; sale of contracts for the payment of benefits or performance of future services such as life, education, pension and interment plans; securities dealership/brokerage of equities and its derivative products (warrants and options) and in transferable securities.

There are certain limitations on market access pertaining to commercial presence in the country's commitments in financial advisory services. Service provider should be organized as a commercial bank or a non-bank financial intermediary. Foreign equity is limited at 40 percent for non-bank financial intermediary. In addition there is a limitation on national treatment for the presence of natural persons. Foreign service suppliers shall perform technical functions only with Filipino understudy.

For factoring and financial leasing, commercial presence is required in cross-border supply. For commercial presence, only financing company organized as a corporation or a general partnership can perform the service. The usual 40 percent foreign equity participation, and one-third membership of foreigners in the board of directors also hold. There is also a prohibition for foreign managing partner in the case of general partnership. For limitation in national treatment, a Filipino understudy should be trained if the foreign service-provider shall perform technical functions.

For money broking and foreign exchange broking, credit card services, commercial presence is required and must be performed by a commercial bank or a non-bank financial intermediary. The usual foreign equity limitations hold. There is also a requirement for a Filipino understudy for a foreign service-provider in money broking and foreign exchange broking. However, this is not required in credit card services.

For the promotion and provision of information about the services offered by foreign banks only commercial presence is required. But for securities dealership/brokerage aside from commercial presence, the company must be organized as a securities broker/dealer corporation or partnership. The corporation must be a member of the stock exchange. Underwriting is allowed only on best-efforts basis.

For the performance of the functions of stock transfer agent, commercial presence is required and the service provider must be organized as a corporation or partnership with at least one certified public accountant.

In insurance we have committed to liberalize the life insurance sub-sector (ordinary, group, individual, industrial, health and accident, and annuities); the general non-life including fire and allied risks, earthquakes, shock, typhoon, floods, and tidal wave, marine (ocean marine, inland marine, marine hull, and aviation), casualty motor car, health and accident, burglary, engineering, suretyship fidelity/surety, and bonds; the insurance auxiliary services such as actuarial consultancies and average adjustors; and the reinsurance/retrocession.

Limitations on market access includes the approval of the Insurance Commission on the establishment of new insurance companies. Only aliens qualified to hold technical

positions may be employed within the first 5 years of operation of the enterprise; their stay should not exceed 5 years upon entry.

For life and general non-life insurance, for cross-border supply, risks located in the Philippines should be insured with the companies authorized to transact business in the Philippines. For reinsurance/retrocession, limitations on cross-border supply include the priority cessions to authorized insurance/reinsurance companies; foreign unauthorized insurers should be represented by resident agents registered with the Insurance Commission; and 10 percent of total insurance cessions to foreign unauthorized reinsurers should be ceded to the National Reinsurance Corporation of the Philippines.

2.4. Financial Liberalization of the Philippines

In the 1980s and 1990s, the Philippines financial system was subjected to a number of reform programs aimed at promoting a liberalized environment. These financial reforms proceeded along the following categories:

2.4.1. Interest Rate Liberalization

To encourage more savings in banks, improve domestic resource allocation and financial markets deepening, the then Central Bank of the Philippines (CB) deregulated all bank interest rates except short-term lending rates in 1981. The following year, interest rates ceilings on deposits were lifted followed by the removal of those covering medium and long-term lending rates. The deregulation process was completed by the end of 1982 with the removal of the remaining ceiling on short-term lending rates. (Suleik, 1992).

2.4.2. Rationalization of the Reserve Requirement

With the issuance of Circular No. 1209 on September 1, 1989 and Circular No. 1269 on December 28, 1990, the reserve requirements across all banks and type of deposits were gradually unified. The unification process was intended in reducing banks' intermediation cost and promote financial efficiency.

In the 90s, the thrust of reforms was directed to lower the reserve requirement in order to reduce banks' intermediation cost and, eventually lending rates. From a reserve requirement against deposit and deposit substitute liabilities of banks and non-banks was gradually reduced from 25 percent in December 1992 to 9 percent legal reserve and 3 percent liquidity reserve as of year 2000. (PDIC Industry Digest, 1996).

2.4.3. Rationalization of the CB Rediscount Window

The CB Rediscount Window was rationalized and simplified in November 1982. The rationalization included, among others, the removal of fixed spreads and the adoption of a unitary market-based rediscount rate across all types of papers and applied for all types of eligible banks. These changes were instituted to encourage efficiency in the

allocation and utilization of funds as well as the promotion of market-oriented interest rates. (Suleik, 1992).

2.4.4. Establishment of New Banks and Branches

The liberalization of the banking sector was undertaken in 1993 to enhance competition, reduce interest rates, promote innovations in financial services and improve financial intermediation especially with the country's trading partners. The liberalization covered three areas: the entry of foreign banks, the liberalization of bank licensing, and bank branching. (PDIC Industry Digest, 1996).

The liberalization of bank licensing is meant to relax the rules for licensing, thus enabling more applicants to qualify. Relaxing branching rules, meanwhile, allows existing commercial banks to put up branches anywhere in the country except in over-branched areas. Removing the tedious auction process in the awarding of bank branches, banks are now freer to establish branches as long as it fulfills prudential requirements such as liquidity, capital requirements, capital adequacy ratio, profitability, and other financial ratios. (PDIC Industry Digest, 1996).

2.4.5. Entry of Foreign Banks

In May 1994, Republic Act 7721 provided for the entry of foreign banks to foster greater market competition, reduce intermediation costs and increase foreign capital inflows. Under the new law, foreign banks are allowed to enter under any of three prescribed modes. Foreign bank entrants were to be chosen among the top 150 international banks or top five banks in their domestic markets. (PDIC Industry Digest, 1996).

2.4.6. Direct Lending Program

In 1994, alternative investments for the 15 percent agricultural credit requirement for banks were expanded to include financing educational institutions, cooperatives, hospitals and other medical services, socialized housing and lending to local government units without government guarantee.

2.4.7. Financial Restructuring of the Central Bank

In 1993, Republic Act 7653 created an independent central monetary authority, the Bangko Sentral ng Pilipinas (BSP), replacing the old Central Bank (CB). Certain assets and liabilities of the old CB were transferred to the BSP to give the latter an initial net worth of P10 billion. Most of the external liabilities and non-performing assets were retained with the old CB. After the transfer, the National Government issued P220 billion worth of government securities partly reimburse the BSP advances made during the transition and allow the BSP greater flexibility in its open market operations.

2.4.8. Broadening the Security Dealership of Treasury Bills

Policy reforms were made in the securities dealership of treasury bills to level the playing field in interest rate determination. An “open application policy” for accreditation of government securities dealers was adopted starting August 1991. On April 22, 1994, the Monetary Board further liberalized the accreditation guidelines by expanding the coverage of the dealership network.

2.5. General Banking Law of 2000

The General Banking Act is an act regulating banks and banking institutions and for other purposes as amended in Republic Act (R.A. 337) enacted on July 24, 1948.

Despite several amendments introduced to R.A. No. 337, there remains a pressing necessity for a new general banking law that would meet the challenges posed by globalization, provide additional safeguards for new risk and challenges in the banking system, align said act with the provision of recently passed laws such as R.A. Nos. 7653, 7906, 7721, and 7353 and take into consideration current practices, innovations and technology.

On May 24, 2000, the General Banking Law of 2000 was signed into law by then President Estrada. The law introduced major reforms that aims to strengthen the banking system by adopting measures that endure safe and sound practices in Philippine banking. It mandates the BSP to enforce prompt corrective actions for banks found to be conducting business in an unsafe and unsound manner. Measures against violations of the rule on Directors, Officers, Stockholders and other Related Interests (DOSRI) borrowings have also been tightened. The new law also relaxes certain bank ownership ceilings and entry of foreign banks.

2.6 . Securities Regulation Code

At present, Batas Pambansa Blg. 178 or otherwise known as the Revised Securities Act is an act in regulating the securities market. However, with the changes occurring globally, there is a need to align our securities market with these new developments

Senate Bill No.1220 entitled, “THE SECURITIES ACT OF 1998” in consolidation with House Bill No. 8015 entitled, “ THE SECURITIES ACT OF 2000” has been enacted and shall be known a “The Securities Regulation Code (Sec 1).

The Securities Regulation Code seeks to institutionalize two core reforms of full disclosure and self-regulation. In addition, there is a need to be consistent with the practices of practically all exchanges around the world to provide market liquidity. The securities market would cease to be a ready and efficient mover of funds from one sector to another if broker-dealer functions are made into separate legal entities.

Highlights of the proposed Securities Act include the following:

1. Insures the independence of the SEC from any government body particularly the Office of the President.
2. Clarifies the role of the stock exchange and other self-regulatory organizations (SROs) to act in the interest of investors and the public.
3. Provides a more transparent securities market through full disclosure of material information about public companies to investors.
4. Clarifies prohibited market practices and raises the amount of type of penalties available for violations of the securities laws and their rules for public interest and the protection of investors.
5. Imposes higher standards for market participants consistent with international best practices.
6. Increases the protections available to minority shareholders of public companies/

Under the Securities Regulation Code, the capital market would move to full disclosure regulation from a system of merit regulation. Under the new regulation, investors will be better informed to assess whether an investment in a particular offering is suitable or not. In addition, consistent with international standards, the proposed bill institutionalizes the concept of SRO by the market players themselves such as the PSE and other associations as they are in a better position to assess their needs than the SEC.

The PSE plans to have its demutualization by August 2001. Demutualization is the process of opening up the ownership of the stock exchange to the public, just like a company undertaking an initial public offering (IPO). At present, the PSE is owned by 170 member-brokers. With demutualization, the ownership of the bourse will be broadened although some member-brokers will likely object to this move since this would mean giving up complete control of the exchange.

2.7. Liberalization of Insurance Markets

On October 24, 1994, the insurance market was liberalized when a presidential order issued on June 22, 1994 cancelled Negative List C in the Foreign Investments Act of 1991 that limited foreign investments in certain areas of business including insurance to a maximum of 40 percent equity. As a consequence, the service industry of insurance was deemed open to foreign investors. However, there was a provision that Negative List C would be reviewed after a period of two years.

To implement this new development, the Department of Finance upon the recommendation of the Insurance Commission issued Department Order No. 100-94 dated October 24, 1994 containing the guidelines on entry of foreign insurance or reinsurance companies or intermediaries in the Philippines. The guidelines include the mode of entry, basis of selection, and capital requirements depending on the equity percentage of foreign investments including qualification of applicant firms. Furthermore, the number of entrants during a two year period would be limited to 5 each of insurance, life and non-life, reinsurance and intermediaries but may be increased to 10 each by approval of the President of the Philippines upon recommendation of the Secretary of Finance. (Manila Bulletin, April 2000; Department Order No. 100-94).

The approval of Republic Act No. 8170 dated March 28, 1996, further liberalized the entry of foreign investments in the insurance industries as this legislation measure deleted completely Negative List C in the Foreign Investments Act of 1991. Nevertheless, new investors will still be governed by the Insurance Code of the Philippines and will have to satisfy the standards as to financial capability and reputability and also comply with the licensing requirements set by the Insurance Commission. (Manila Bulletin, April 2000)

2.8. Impact of Legislations and Reforms on the Removal of Country's Limitations on Market Access and National Treatment

Non-discrimination in the treatment of countries that have acceded with the GATS is one of the major obligations of the multilateral trading agreement. Section 72 of the General Banking Law of 2000 states "the entry of foreign banks in the Philippines through the establishment of branches shall be governed by the provisions of the Foreign Liberalization Act." The conduct of offshore banking business in the Philippines shall be governed by the provision of the Offshore Banking System Decree. (Presidential Decree No. 1034).

Changes in the General Banking Law of 2000 have certain implications on future commitments with the GATS. The GATS encourages recognition of standards, educational levels and qualifications. Related to the improvement of human talents in the financial sector, the country has stated as one of the limitations of its commitments with the GATS is the provision that a non-Filipino citizen employed as officer or assigned to do technical functions shall have two Filipino understudies. With this training and transfer of knowledge, it is expected that the standards and qualifications of Filipino officers will be uplifted. Section 16 of the General Banking Law of 2000 provides the fit and proper rule. The Monetary Board "shall prescribe, pass upon and review the qualifications and disqualification of individuals elected or appointed bank directors or officers and disqualify those found unfit." Although the GATS allows for domestic regulation; and the intention of the law is to professionalize the management of the financial sector, this provision may be interpreted as a restriction in the national treatment of the foreign officers of financial institutions operating in the country.

Likewise, for the Securities Regulation Code, it imposes higher standards for market participants consistent with international best practices; Chapter 8 discusses the regulation of securities market professionals. In this chapter, Sec 31 *looks at the development of securities market professionals. "The Commission, in joint undertaking with self regulatory organizations, organizations and associations of finance professionals as well as private educational and research institutions shall undertake or facilitate/ organize continuing training, conferences, seminars, updating programs, research and development as well as technology transfer at the latest and advanced trends in issuance and trading of securities, derivatives, commodity trades and other financial instruments, as well as securities markets of other countries."*

The Philippine commitments with GATS also identified requiring commercial presence in cross-border supply of commercial banking services. Section 73 of GBL authorizes the Monetary Board to allow a "foreign bank to acquire up to one hundred percent (100%) of the voting stock of only one (1) bank organized under the Republic of the Philippines.

Within the same period, the Monetary Board may authorize any foreign bank, which prior to the effectivity of this Act has availed itself of the privilege to acquire up to sixty percent (60%) of the voting stock of a bank under the Foreign Banks Liberalization Act and the Thrift Bank Act, to further acquire voting shares of such bank to the extent necessary for it to own one hundred percent (100%) of the voting stock thereof. This provision is more liberal than the limitations on foreign equity stated in the country's current commitments with GATS.

The General Banking Law 2000 also allows ownership of bank holding corporations in all types of banks, instead of only thrift banks and rural banks. The change provides more freedom for the access of foreign banks to the Philippines in the cases of future investment opportunities and future market access limitation commitments with the GATS.

The new banking law includes universal bank as an additional classification for banks compared to the old section in the GBA that limits the most complex classification of banks to commercial banks. Section 23 provides that a universal bank shall have the authority to exercise, in addition to the powers authorized for a commercial bank in Sec. 29, the powers of an investment house as provided in existing laws and the power to invest in non-allied enterprises as provided in this act. Since a universal bank is deemed to provide a wide array of financial services, its reclassification will support local banks to go global and provide a healthy competition with its more advanced foreign counterparts.

Section 59 provides that the Bangko Sentral ng Pilipinas shall have full authority to regulate the use of electronic devices, such as computers, and processes for recording, storing, and transmitting information or data in connection the operations of the bank, quasi bank trust entity, including the delivery of service and product to customers by such

entity. The GATS provides market access through free transfer and processing of information. Section 57 may have set some limitations on our commitment with GATS.

Chapter II of the General Banking Law of 2000 devotes entirely on the provisions for the Authority and supervisory powers of the Bangko Sentral ng Pilipinas. These enumerates its authorities in governing financial institutions as compared to the GBA which does not have a chapter devoted to the authorities of the Bangko Sentral ng Pilipinas.

Under the GATS, appropriate regulatory authority in the Philippines is allowed which shall determine whether public interest and economic conditions justify authorization for the establishment of commercial presence or expansion of existing operation in banking and other financial services. For foreign financial institution with internationally recognized standing, such determination shall include a demonstrated capacity to contribute to attainment of Philippine development objectives particularly in the promotion of trade, investments, and appropriate technology transfer; and the country of incorporation has strategic trade and investment relations with the Philippines.

III. Demand for Professionals in the Financial Sector

3.1. Economic Contributions of the Financial Sector

The finance industry, which consists of banks, non-banks and insurance companies, has contributed to the economy an estimated gross value added of PHP 130.3 in 1998. This amount is approximately 5 percent of the gross domestic product and 9 percent of the gross value added of the services sector. The bulk of income of the industry was coming from the banking sector (72 percent). The industry has exhibited very rapid expansion in the 90's as shown by the average annual growth rate of 8.8 percent for the period 1993-1998. The surge in financial services during the period was triggered by the liberalization of the entry of foreign banks with the passage of RA 7721 in 1994 and the series of policy reforms undertaken by the Bangko Sentral ng Pilipinas. These reforms helped expand the resources and operating network of the banking system, particularly on commercial banks, which accounted for more than 90 percent of the expansion. Deposits during the period grew substantially from P639 billion in 1993 to P1,630.9 billion in 1997, or by 155 percent, reflecting the expansion of network branching, improvement in banking services and competitive yields on deposits.

The industry employs some 695,000 workers that constitute around 2.4 percent of the total labor force. Although it takes in only a small portion of the labor force, the capacity of the industry to absorb additional employment has been growing rapidly as shown by an average employment growth of 7 percent annually. This employment growth has been attributed to the expansion of the industry due to the liberalization measures implemented in the 1990s.

3.2. Human Resource Requirements in the Financial Sector

Competence refers to the basic skills of reading, writing, and math. But there is a difference. Not only must the worker of tomorrow know how to read a simple book, article, or set of instructions, he or she must also know how to read and interpret graphs, charts and diagrams. He or she must be able to scan information quickly and pick out relevant information. So much information will be available that it will not be enough for a worker just to be able to struggle through written information a word or phrase at a time. Speed reading and comprehension, particularly the latter will be critical. Employers want workers who can quickly digest complex material and then be able to use the information they acquire to solve problems. In writing, it will not be enough for a worker to simply to be able to put together a grammatically correct sentence. Workers will need a level of writing skill that will enable them to communicate quickly and effectively. Workers will need the skill to prepare business documents that are clear, concise, accurate, specific, logical, and easy for readers to understand and use. Finally, the required numeracy skills will be more conceptual than computational. It will be less important that workers know how to add a long series of complex numbers manually than to be able to scan computer-generated results and understand the computational routines used to arrive at these results. Since these computational routines are likely to be highly sophisticated, workers will require more than just the ability to add, subtract, multiply, and divide. At least some knowledge of higher-order mathematics, including a knowledge of business statistics, will be essential. (Boyett and Conn 1992)

James Brian Quinn (1992) argues the firm must focus on developing and managing intangibles through three core knowledge competencies: culture (knowing why), know-how, and networks (knowing who). Michael Arthur, Priscilla Claman, and Robert De Filippi (1995) believe these competencies are relevant also to individuals planning an intelligent career. Know-how relates to important skills and abilities and knowing who relates to the networks to which an individual belongs. In combination, in these three competencies distinguish the individual career. It is therefore important for the individual to examine these competencies.

3.2.1. Old Competencies

The nature of skills in banks and insurance institutions pointed out in the book *Global Shift* (1998) are as follows:

Common Emerging Competencies: which includes ability to operate in well defined and stable environment; Capacity to deal with repetitive, straightforward and concrete work process; Ability to operate in a supervised work environment; Isolated work; Ability to operate within a narrow geographical and time horizons

For Upper-tier workers: Generalist and Administrative competencies are mentioned: *Generalist Competencies:* Broad, largely unspecialized knowledge; focus on operating managerial skills; and *Administrative Competencies:* Old leadership skills;

routine administration; top-down, carrot and stick personnel management approach; ability to carry out orders from senior management

For middle-tier workers: Procedural Competencies are mentioned: *Procedural Competencies include:* Specialized skills focused on applying established clerical procedural techniques assuming a capacity to receive and execute orders.

For lower-tier workers includes Specialized Skills that are focused on data entry and data processing.

3.2.2. New Competencies

Common emerging Competencies which include: Ability to operate in ill-defined and ever changing environment; Capacity to deal with non-routine and abstract work process; Ability to handle decisions and responsibilities; Group work, interactive work; System-wide understanding; ability to operate with expanding geographical and time horizons.

All the respondents agreed that the financial sector has to be prepared in the emerging competencies among professionals to be able to cope up with the intricacies, complexities of products and manage the risk involved in the global market environment. In addition, flexibility and adaptation is essential, specialized jobs must be integrated into a functioning whole.

For Upper-Tier Workers includes the new expertise and the new entrepreneurship: *The new expertise* Growing need for high-level specialized knowledge in well defined areas needed to develop and distribute complex products and *the new entrepreneurship:* Capacity not only to manage but also set strategic goals; to share information with subordinates and to listen to them; To motivate individuals to develop new business opportunities

Informants attest to the truthfulness of these views considering that the financial sector is now experiencing competition in terms of professional qualifications and expertise with the global environment. More and more foreign companies are establishing financial institutions so new concepts and technology are being introduced.

They say that this creates new jobs for highly skilled people. Higher-ups do better when they get feedback from subordinates, and motivating them is the key. Also, job opportunities are in fact offered. A feedback system is crucial to determine people's ideas and reactions to situations. That there must be communication with subordinates that would eventually motivate them. They also believe that two brains are better than one, with more people sharing ideas, they will be more productive.

For middle-tier workers includes Customer-assistance and sales competencies: Broader and less-specialized focused on assisting customers and selling; capacity to define and solve problems. The key informants agree that they are indeed

experiencing this situation considering the fact that more and more customers are aware of customer service delivery by computer.

In addition they pointed out that sales and marketing people must know the needs and wants of customers to better serve and satisfy them. That sales and customer service people must know their products and what they can offer. With this, it is important that there must be a room for these professionals to go up the corporate ladder. However, one respondent believes that specialization is still important and inevitable in this competitive world.

For lower-tier workers: Disappearance of low-skill jobs

The respondents are indeed being disregarded and as a consequence, the disappearance of low-skill jobs is worsening the unemployment problem since highly-skilled individuals are not always readily available in the labor market.

Dicken (1998) observes that technological and organizational developments are drastically changing the nature of work at all levels: redefining skills and increasing flexibility. That there have been substantial changes in the demand for particular types associated with:

- Technological change in both processes and products (including, for example, the growth of direct telephone and computer provisions of banking insurance and other services)
- Organizational changes in how new and existing service products are produced

There has been a widespread tendency for a dramatic decline in the volume of clerical processing work performed, until recently manually by lower-tier personnel (with some assistance of mainframe counters for data crunching). This remarkable contraction in old-fashioned clerical processing work is the result not only of automation but also of the transformation of work done by personnel in the middle and upper-rungs of a firm's occupational structure... paralleling this transformation in data processing and data handling, increasing competition is generating new demands for both sales and assistance personnel and for specialists able to identify new markets, conceive new products, develop new systems and sell the new, often complex services (swaps, futures, etc.)... the outcome of this profound process of skill transformation is the emergence of a new matrix of competencies that may be viewed in terms of new skills that are being substituted progressively for older ones. Some of these new competencies are common to both middle- and upper-level workers; others are specific to various groups within the occupational hierarchy. (Bertrand and Noyelle, 1988, pp.40-41)

All the major banks and financial service companies have undertaken major rationalization and restructuring programs which have resulted in substantial job losses. Some of these have gone hand in hand with large scale acquisitions and mergers. For

example following the mergers of two United States banks, Chemical Bank and Manufacturers Hanover in 1991, the number of European staff reduced from 3,400 to 2,000. The more recent merger between Chase and Chemical will certainly also result in job losses because one of the motivations for the merger is to increase efficiency.

The loss of financial jobs is especially marked in the retail banking sector where the number of retail branches is falling dramatically as the banks concentrate their services in a smaller number of centers and provide more of their services online. For example, in the UK, the National Westminster Bank shed around 8,000 jobs between 1994 and 1996 and announced plans to reduce its workforce by a further 10,000 jobs by the end of the decade...in the United States and Europe it is being predicted that there could be labor reductions in the financial services industries of up to 50% by the year 2005.(The Financial Times, 28 March 1996)

More employment reductions may well result from the continued deregulation of financial markets. The regulatory protection of national markets has allowed "inefficient" practices to exist. As the regulatory walls come tumbling down in one country after another, and as the full impact of the internationalization of the industry takes hold, changes almost certainly signal the continuation of "jobless growth" in the financial service industries, even though there may well be localized exceptions.

The rapid pace of global change has created demand for people with specialized technical and managerial skills, and people with these skills might be said to have a comparative advantage over others. Many global leaders believe that technical skills in combination with people skills represent an important knowledge set, but there may be greater emphasis on the ability to learn than on current knowledge. Firms increasingly expect nations to invest in education sufficient for employment. (Parker, 1998)

3.2.3. Desired Skills for the Future

According to Boyett and Conn (1992), what employers wanted and said they needed most desperately were workers with a solid basic education plus relationship skills and skills in self management. Reviewing the results, American Society for Training and Development (ASTD) lumped the most desired skills of workers in the future into seven categories: learning to learn; competence (reading, writing, and computation); communication; personal management; adaptability; group effectiveness; and influence. Each of these had a specific meaning for prospective employers.

Learning to learn: Each person should acquire the self-knowledge concerning when and how he or she learned best. The workplace would be one of constant change, and to retain their competency, workers must continuously learn new skills.

Communication: refers to verbal and listening skills. Workers will be members of teams. Much of the value of teams stems from the increased communication between team members sharing information and ideas. Workers of the future must be good communicators. They must have the skill to express their ideas and convey information

to others quickly and effectively. They must also be good active listeners, since much of the information required to perform their jobs, solve problems, and work effectively with others will come from verbal interaction rather than written sources, which will be deemed too slow.

Personal management: Refers to the individual's self-esteem and self motivation. Intrinsic motivation or internal drive to succeed on a job has much to do with how successful a person is in finding the right match between what he or she enjoys doing and what he or she does for a living, workers will need skills in setting personal and career goals, and planning and managing their career in concert with these goals.

Adaptability: Refers primarily to creative thinking and problem-solving skills. There will be increased responsibility on employees for decision-making and problem-solving. Workers of tomorrow need the skills to break mental sets, think creatively, analyze problems, and find innovative approaches to problem resolution. Since most of this problem solving activity will occur in team or group settings, employees need skills and experience in group-problem solving activities.

Group effectiveness: Refers to interpersonal and team skills. Employees need skills to work effectively in groups. They need to understand how their individual behavior impacts others. They need skills to negotiate, resolve conflict, handle stress, and deal with undesirable behavior in others, share in task accomplishment, and build positive working relationships with others in a group setting.

Influence: Refers to skills in organizational effectiveness and leadership. Employees need an understanding of what organizations are, how they work, why they exist, what makes organizations effective or ineffective, and how external and internal forces affect organizational accomplishment. On the leadership side, employees need an understanding of what makes leaders effective or ineffective, how the leader influences members of the group, the rise of formal and informal leaders, the importance of a "vision", ethical standards etc.

3.2.4. Human Resource Needs in the Financial Sector in the Philippines

The Bankers Association of the Philippines (BAP) surveyed its members on the minimum competencies of tertiary education graduates as required by the banking industry. The **oral and written communication skills** were the primary requirement of banks for entry level positions. In addition, knowledge in the following banking course electives :

- 1) treasury
- 2) foreign exchange
- 3) investment banking
- 4) financial institutions
- 5) trust
- 6) finance math

- 7) international banking
- 8) accounts management

According to one key informant, to date, there has not been any Philippine study made on the resource requirements of banks in the financial sector, for the purpose of finding out whether the country is indeed ready to compete in the global arena. The usual studies would only include other issues that are related to banking and non-bank operations and are usually commissioned by the private financial institutions for their own use.

Financial services include: banking services; other credit services; services related to administration of financial markets; services related to securities markets(brokerage, portfolio management); other financial services (foreign exchange, financial consultancy).

At present the entry/staff job levels in the Banks, Insurance and Non-Bank Financial Institutions are:

- 1) authorized signer
- 2) teller
- 3) trainee
- 4) new account personnel
- 5) accounting assistants
- 6) marketing officer
- 7) programmer; and
- 8) legal and collection;
- 9) loans coordinator;
- 10) accounts coordinator;
- 11) financial assistant/analyst;
- 12) risk management staff;
- 13) risk management analyst;
- 14) sales traders, dealers;
- 15) research analysts and assistants;
- 16) backroom office staff(accounting or settlement);
- 17) office clerks;
- 18) management trainee(sales research)

Professional/managerial levels are:

- 1) Accounts Officer
- 2) Finance Manager/Director
- 3) Business Development Officer
- 4) Risk Management Officer
- 5) Assistant Vice President
- 6) Vice President

Another way of identifying the human resource needs of the financial sector is to look at the limitations on national treatment on the presence of natural persons listed in our commitments with GATS. Based on our commitments in the GATS, we have cited a limitation on the presence of foreign service suppliers in the performance of technical functions. We require a Filipino understudy in financial advisory services such as underwriting, guarantees and commitments, credit reference and analysis, investment and advice. A Filipino understudy is also required in trading of money market instruments, foreign exchange, derivative products such as futures and swaps, exchange rate and interest rate instruments including swaps, forward rate agreements. In addition, a Filipino understudy is also required for a foreign-service provider in factoring, financial leasing, money broking and foreign exchange broking. A requirement of a Filipino understudy in these very specific financial services implies that we still lack the necessary human resources in these services.

It should also be mentioned that a Filipino understudy is not required in the some commercial banking activities like acceptance of deposits, all types of lending, all forms of payment and money transmission services. Moreover, in credit card services, trading in securities, and all type of insurance services, the requirement of a Filipino understudy is not listed as a limitation in the presence of foreign provider in these specific services. This implies that we have enough local talents who can perform these services and can match the capabilities of foreign service providers.

3.3. Summary of Key Informants

In today's highly competitive and expanding global financial markets, expertise in every product is very vital and considering that in a global market environment one must be familiar with market conditions, practices, customs as they vary from country to country. Therefore, it is very important to assess the readiness of the our nation's human capital as it slowly opens its doors to the rest of the world.

The **resource requirements** of banks can be divided in terms of **educational attainment, technical skills/competencies, work experience, and personal characteristics:**

3.3.1. Educational Attainment:

A college degree specifically a Bachelor of Science degree in the courses related to Commerce, Accounting, Computer Science, Banking and Finance and Economics, is a very important requirement in entering financial institutions. Graduating with honors and special awards are also given priority.

Age does matter however in the insurance industry, in the sense that the respondents favor applicants whose ages range between 30 and above. Such maybe the case because it would be easier to believe somebody selling in his/her thirties than a fresh college graduate.

3.3.2. Skills/Competencies:

For the Banking Industry, requirements include excellence in oral and written skills and proficiency in numbers or forecasting; good analytical skills, attentiveness to details, and orderliness. Knowledge in computer applications like MS DOS, Microsoft Office and other computer applications. They must also have a background in accounting and finance.

For the Insurance Industry, the specific skills required of an applicant are almost similar to the banking and stock brokerage professions. They include: excellence in written and oral communication; selling and servicing; and computer literacy.

For Stock Brokerage firms, no specific course or age is required, as long as he or she passes the Certified Securities Representative examination given by the Securities Exchange Commission. For the order taker, he/she is required to take the MAKTRADE Examination, before one gets a license. He/she must also have an adequate knowledge of the stock market here and abroad.

3.3.3. Work Experience:

For entry level positions, work experience is not strictly required but 2 to 3 years of experience in banking (credit, treasury and operations) is preferred. Whereas for managerial positions, extensive work experience is required and professionals with a degree in Masters in Business Administration (MBA), as well as exposure to international banking operations, remittance, trade(imports and exports) and treasury operations aside from branch banking operations would serve as a great advantage.

3.3.4. Personal Characteristics:

Ethical integrity and honesty top the list. Followed by being hardworking, self-disciplined; assertive and confident. Also, being accommodating, aggressive; tenacious and with initiative; displaying a high emotional quotient such as being respectful of people, open to challenges and to new ideas, persevering, creative, dynamic, quick thinker, passionate for learning, and an ability to easily adapt to various situations are a plus.

Excellent human relations and motivational skills have been chosen as well, as the most important requirements for the workers in the financial services holding both staff and managerial positions.

In terms of the adequacy or inadequacy as to the number of graduates that can meet the financial sector's requirements, a key informant mentioned that there are more than enough graduates to fill in the available positions, however, there are too many graduates with finance degrees, but too little graduates who can meet the standards set by the finance industry. Only graduates from the top Philippine universities can meet the industry's criteria. For example, a key informant mentioned that graduates from other

schools are unable to express themselves with clarity in both oral and written form and only a few are familiar with the term "E Commerce. "

The importance of the human resources function in the services arena have strongly been stressed in a book entitled, " Managing Services ":

"For top management it is a crucial strategic issue. It is hard to conceive of a successful service business manager –much less an entrepreneur or innovator—who is uninterested in personnel matters. Even minor questions related to personnel policy are usually vital to the service business, and the way they are treated and the location of responsibility for human resources management in the organization should reflect its importance..."(Lovelock,1988)

3.3.5. Human resources issues confronting the financial sector

For **training and development** they feel that training programs need to be updated and upgraded. A refocusing is called for as well, that is geared towards world financial trends and practices and self-development.

One key informant pointed out that further training in terms of active involvement in international conferences whenever opportunities arise would definitely be of great help to updating the finance professional's knowledge in the latest approaches in doing and managing transactions in the global market.

A finance professional should be updated on the following: International Rules on Documentary Credits UCP 500, Bank to Bank Reimbursements URR 525; Uniform rules for Collections URC 522; International Standby Letter of Credit ISP 98; Swift Operations; Euro One Currency System, FED Wire and Chips Payment Order System.

Another key informant feels that there is not enough training seminars that are given, that the training that these professionals get are not commensurate to the degree of responsibility that they are given.

Hence in view of globalization, the rapid pace of global change has created demand for people with specialized technical and managerial skills, and people with these skills might be said to have a comparative advantage over others. Many global leaders believe that technical skills in combination with people skills represent an important knowledge set, but there may be greater emphasis on the ability to learn than on current knowledge. Firms increasingly expect nations to invest in education sufficient for employment. Leaders believe that the knowledge worker will be more than a repository of technical knowledge ; he or she must be able to access that knowledge and transfer it to other people.

In terms of **compensation**, A career in the financial services gives the following benefits package as one advances in his/her career: high paying salary; bonuses;

opportunities to travel; paid holidays; car plan and employee recognition awards. In spite of all these benefits, almost all the informants feel that finance professionals/workers receive low compensation as compared with those working in multinational banks.

In terms of **recruitment and selection**, one key informant mentioned that the ability to fit in the culture of the bank is very important if one is to make a career in banking. Also, the students who graduated from the top three schools in the Philippines are still highly preferred. It is also noteworthy to look into the consequences of continuous consolidations/mergers and reengineering ventures of finance institutions, trends that have been going on for the past 3 to 4 years that have resulted to an excess supply of bankers due to retrenchment. In addition, in view of liberalization, the country may experience a shortage of highly qualified professionals to work locally because they now have opportunities to be hired abroad.

A key informant also mentioned that a number of lower level and a few of the higher level finance workers feel a sense of boredom with their work since some of their tasks are monotonous. In addition there is also a belief that one will never reach a very high position since foreigners usually are preferred from that of a local professional to occupy a top management position in multinational companies.

3.3.6. Labor Relations

A key informant observes that labor relations in this sector has generally been harmonious and peaceful given the fact that this sector belongs to the category of having the most number of Collective Bargaining Agreements (CBA) in the Philippines which comprises 33.1% (as cited in Edralin, 1999). It is interesting to note that adversarial relationship between the labor unions and management is non-existent.

Worldwide demand for skilled workers is creating new awareness among nations of the need to educate beyond basic skills, many nations have targeted education as a primary means of labor force improvements. In the industrialized world where skilled and knowledgeable workers are concentrated, the average worker has completed 11 years of education compared with 5 to 11 years in the developing countries. (Parker 1998)

Mismatch in relation to the competency level of graduates with that of the demands of the industry is not a new issue in the financial sector. "The educational system must continually be reexamined and renewed to be relevant to the society in which it is embedded. This is where evaluation and research can play a central role. It is not enough that evaluation and research findings are disseminated to potential users. The translation of these findings into action addressed to the improvement of the policy and practices must be a major concern. The bottom line is the institution of an effective transmission-transformation system which will ensure that research effectively serves educational development.

Since all efforts will involve all people, actions of the education system must be directed to making all sectors like media, clubs, associations, and other government and non-government agencies complement rather than compete in the task of developing education so that it can contribute to the rebuilding of our nation. Such efforts must constitute actions calculated to contribute to the improvement of teachers to deliver quality education, a constitutional mandate which may be immediately addressed.

Those who think so cite the high incidence of high unemployment among college graduates to prove their point. Forthwith they advocate education planning, which involves the projection of needed skills, and accordingly, an identification of the courses and programs that schools should offer. The pitfalls from this type of education planning are many. To be able to determine which skills are going to be a great demand in the future, a great deal of information is required. And it is not clear at all that the government possess an advantage over the private sector in producing the information. The problems are similar those posed by industrial policy, where the government identifies the industries to promote and direct scarce resources towards industries that make it to the priority list.

The issue of matching is considered as a macro problem. Key informants feel that this is due to the lack of effective school curriculum supervision wherein schools tend to commercialize the curriculum with the sole intention of attracting more students to take up the finance courses and not really making sure that the curriculum is in congruence with meeting the needs and demands of the industry, non-monitoring of student's career after graduation and non-existence of a body or committee to evaluate the curriculum from both the government and the private sectors.

3.3.7. Recommendations of the key informants

According to key informant, the following strategies should be considered in developing tertiary education in the Philippines:

- 1) Reviewing the program curriculum and making sure that all shortfalls are addressed; Offering specialized courses in banking(i.e. Risk Management, International Banking, etc.); Inclusion of more sophisticated subjects covering the various fields in Finance and Investments (e.g. units in Mergers and Acquisitions, Hedge Funds, Mutual funds etc.) Getting practitioners in the field of financial services as faculty to the various courses; and hiring teachers with masters degree;
- 2) Making sure that school facilities are complete;
- 3) Schools should be able to include in their curriculum not only standard computer skills but also specific computer applications such as tellering, accounting, etc.;

- 4) Assuring quality in on the job training -immersion to know what's happening outside the four walls of the classroom; that there should be adequate training in the workplace;
- 5) Continuous education through seminars and workshops to be conducted by experts in the field to continuously update students and finance workers on various financial products and trends in the field;
- 6) Sending graduates abroad specifically through the initiative of private corporations;
- 7) Conducting examinations to use as entry qualification before one can join the banking services;
- 8) Sponsoring more quiz competitions by the schools, the Bankers Association of the Philippines (BAP) and Financial Executive Association of the Philippines (FINEX).

One key informant also mentioned that being open to the idea of the emerging trend of liberalization in itself through transfer of technology would greatly help in bridging the gap between industry needs and expectations with that of improving the quality and level of skills/competencies of our professionals in the financial sector.

According to one key informant, she feels that the financial sector has yet to determine the proper matching strategies, this is due to the fact that at present, mergers and consolidations result to an overflow of qualified and experienced professionals, that new graduates are abundant but have been displaced. Until the trend has gained grounds, only then can we determine the proper matching strategies.

Many enthusiastic proponents of the globalization thesis argue that business survival is increasingly about performance in the world market. Domestic markets are no longer the focus of economic activity and competition. It is competing to world class standards that counts.

However, there are a handful of key informants who feel that our country is not ready to compete in the global financial market and their reasons for this are the following: first, there is lack of discipline. When opportunities for quick, substantial profit at the expense of market integrity present themselves, many brokers go ahead and take advantage; second, in terms of technology and advancement of facilities as compared with the first world's capacities, a few key informants feel that the country is five years behind in this aspect.

Nevertheless, almost all of the key informants agree that the country's professionals are indeed ready for globalization. But the challenge remains and that is-- to continuously upgrade, refine and polish our country's intellectual capital to be able to

harness our nations greatest asset--the Filipino worker as he opens himself up to the rest of the world.

IV. Supply of Professionals in the Financial Sector

4.1. Review of Finance-Related Courses in Higher Educational Institutions

According to the Commission on Higher Education (CHED), there are very few schools offering a degree in banking and finance in the country. The practice in many schools, however, is to incorporate finance as a major course in business management, accountancy, business administration, economics, and other commerce programs. In fact, there are only two schools, San Sebastian College-Recoletos and the Polytechnic University of the Philippines offering a baccalaureate degree in banking and finance. (Appendix 4.1).

In terms of enrollment, more than a third of the over 2 million students in tertiary level are taking courses in business and related programs. Although there were 775,355 students in business courses enrolled in 1996-97 all over the country, we do not have the exact number of students enrolled in finance programs. At De La Salle University, for example, the number of MFI (Management of Financial Institutions) students was estimated at 403 approximately in 2000-2001, 15 percent of the total enrollment of the College of Business and Economics and 4 percent of the total university student population. If we use this as a gross indicator, the estimated enrollment in finance programs can range from 88,000 to 116,000 students all over the country.

4.1.1. Undergraduate Accountancy Programs

The accounting program leading to a Bachelor of Science in Accountancy prepares students for careers in public accounting and related fields. The curriculum covers general education, business professional courses and accounting subjects. The accounting subjects include basic accounting, financial accounting, management accounting, cost accounting, management services, accounting problems, auditing theory and practice, and management information systems.

There is a prestige attached to a certified public accountant (CPA), and because of this many students in business programs are attracted to the accountancy programs as a preparation for the professional licensure examination. Because of the strict requirements brought about by low passing rate in the CPA licensure examinations, accounting programs in many schools have a very low retention rates. Many of the students of these programs shift to related fields including more often the finance programs.

This is not unusual, at De La Salle University, the freshmen students in the finance program constitute not more than 6 percent of the entering freshmen in the College of Business and Economics. But because of shifting students, the share of

finance students goes up to 15 percent of the college enrollment. These transferees are mostly students coming from the accountancy program.

Although the accountancy program in many schools are geared towards the training of certified public accountants and auditors through the passing of the CPA licensure examinations, many accounting graduates as well as a large number of CPAs are attracted to finance-related occupations and jobs.

The quality of accountancy programs differs across the country although they follow similar curriculum prescribed by the CHED and the Board of Accountancy. The quality is indicated by the percentage of passing in the licensure examinations. There are schools that have consistently scored way above the national average of 17 percent estimated from 1994-1998. However, 82 percent of 265 schools offering accountancy programs have scored overall passing rate below the national average. In addition, half of the schools offering accountancy programs have scored zero overall percentage passing in the 1999 and 2000 licensure examinations. (Board of Accountancy, 2000). The consistent top performing schools include the UP-Diliman, De La Salle University-Manila, University of Santo Tomas, Silliman University, San Beda College, UP-Visayas, and St. Louis University, Baguio City. (Appendix 4.2).

4.1.2. Undergraduate Finance Programs

Like any other major business program, the finance curriculum is composed of three broad categories of courses: general education, business professional courses and core professional courses. In a comparative examination of the course offerings of five schools in Metro Manila offering courses in finance conducted by the Philippine Association of Collegiate Schools of Business (PACSB) two schools offered BSBAA, one offered Finance and Banking and the rest offered Financial Management. (Appendix 4.3). The report showed the CHED's minimum required units in general education distributed as followed: English (6), Filipino (6), Philosophy and Humanities, Social Science (12), Rizal (3), Science (6), Math (6), and Information Technology (3).

For Business Professional Courses, the CHED minimum units are as follows: Economics (3), Statistics (3), Operations Research (3), Business Software Applications (3), Accounting (12), Business Management (6), Marketing (3), Finance (3), Business Law (6), Taxation (3). For the core professional subjects or finance major subjects, CHED minimum requirement is 21 units.

Most of the schools included in the examination had more than the required minimum units for general education, business professional courses and the core professional subjects. Since the CHED curriculum sets only the minimum requirement, schools have the option of offering more courses to enhance their programs. For example, one school offers an additional subject in accounting, accounting for financial institutions, beyond the 12 units requirement of CHED. Another school has only 6 units of core professional subjects in finance, Controllership and International Finance, Trade Payments and Development. Another school has no finance major courses but has 9 units

of finance in its business professional courses. One school that offers a Finance and Banking program has 39 units finance major courses. It is the only school among the schools examined that offers subjects in Credit and Collection, Public Finance, Central Banking and Monetary Policies, Financial Institutions. Another school has 33 units in its Financial Management major program. Based on the five schools, it is the only one offering the following finance major courses: Financial Intermediation, Treasury Management, Financial Strategy, Electronic Banking Seminar, and Quantitative Methods in Finance. It is also the only one offering a seminar course. The fifth school also offers a major program in Financial Management with 36 units of courses in finance. Of the five schools examined, it is the only one offering Corporate Financial Planning and Strategy I and II. Three schools offer practicum/ office internship and thesis writing. (Appendix 4.3).

Although there are minor differences in course offerings and in the number of courses offered in the professional business courses, all schools examined meet and even go beyond the minimum academic units required by CHED. Since there are similar courses offered in various schools the question of quality will come into play in determining the better schools offering the finance programs. The quality of academic program is influenced to a great extent by a single factor, the quality of teachers. The qualifications of teachers in the program will determine the type of subject offerings, the content of the course, selection of instructional materials and the delivery of instructional activity.

One thing going for Philippine schools is the use of the English language as the medium of instruction. Given this, many schools, particularly the better ones, can adapt the latest textbooks in finance used in American colleges and universities. With information technology, many schools have patterned their course offerings with some the leading finance schools in the United States.

However, the problem does not lie in the contents of the syllabus nor in the availability of textbooks but the manner in which the syllabus is implemented and the textbooks utilized. For many schools in the Philippines, a large proportion of their faculty does not have the necessary graduate degrees to teach finance, accountancy, business and economics. At the national level, only 7% of the faculty has Ph.D. degrees, 26% has master degrees in all fields at more 1,300 higher educational institutions. We do not have a statistics for faculty members in business programs. However, at DLSU-Manila, 84 % of full-time faculty has at least a master degree in the College of Business and Economics. This figure, however, does not reflect the national norm on faculty qualifications. If many of the faculty members in finance programs are only baccalaureate degree holders, the presence of highly technical textbooks becomes useless since they were not exposed to the analytical sophistication of these textbooks taken in graduate courses in finance and economics.

Related to faculty qualification is the load of faculty members teaching in the tertiary level. In many schools, they hire teachers with no professional background in finance; and faculty members usually carry between 24 to 36 units per semester. Given

this load, there is hardly any time for research, innovative classroom programs, outside classroom activities and limited student-teacher interaction. The use of the lecture method and the repetition of lectures are very common practices since the teacher has to teach several hours a day.

One of the positive developments in the teaching of finance courses in many schools is the hiring of part-time faculty who are practitioners in the field. In many schools, this is a small proportion of their faculty. However, at DLSU-Manila, in the finance department, close to 74% of faculty members are part-time usually connected with banks and other financial institutions. Thus, the full-time faculty members, carrying 12 units load, have time for student consultations, research, curriculum improvement, program development and committee work. The part-time teachers, on the other hand, are professionals in the field with managerial positions in banks, investment houses and other financial institutions carrying an average of 6 units per trimester.

4.1.3. Graduate Programs

4.1.3.1. Master of Business Administration

There are several colleges and universities all over the country offering graduate programs in business. The most prestigious is the Asian Institute of Management. It is a full-time program and has attracted and graduated more than 2,800 professionals in the Asia Pacific region and has been cited as one of the top business schools in the region. The program uses the case method extensively and allows students to do hands-on activities including company internship and consultation and the preparation of management action report. It is a two-year program covering general management, finance and economics, human behavior in organizations, marketing, information technology, and operations management.

In the field of finance and economics, the elective courses offered are the following: Asian equities, bank credit analysis, capital budgeting and long term finance, corporate financial management, corporate valuation, financial engineering and risk management, financial policy and strategy, financial restructuring and rehabilitation, fixed income market analysis and strategies, fundamentals of stock market and technical analysis, integrated risk management, international economics, international financial institutions, investment banking, macroeconomics, management banking, micro-finance and special lending institutions, portfolio management, project finance and venture capital.

Other universities offering MBA programs are De La Salle University-Manila, University of the Philippines-Diliman, Ateneo de Manila University, University of Santo Tomas and almost all universities cited by CHED as centers of development in business and management education. Although these institutions offer specialized courses in business including finance, many of the MBA programs in the country are geared towards the formation of a general manager.

The MBA program at DLSU "aims to develop capable and socially responsible managers for modern Philippine enterprises. It addresses principally the professional development need of working students pursuing their studies on a partial academic load basis." (DLSU Brochure). The program consists of 7 pre-MBA courses and 36 units of core, elective and integrating courses. There is one course in financial management as part of the core courses. Although the program is not developed along functional specialization in management, student can take three electives including finance courses.

However, the MBA programs at the University of Santo Tomas have four types of specializations: general management, information and communication management, international business, and new ventures and entrepreneurship.

4.1.3.2. Graduate Programs in Finance

The University of the Philippines offers the 30-unit MS Finance Program designed to be completed in one year (three trimesters). Students are required to take nine (9) core courses. These courses aim to provide the student with a strong foundation and in-depth coverage of key concepts, techniques, and topics that are crucial to a deeper understanding of the field of finance. (Appendix 4.4).

Aside from the nine core courses, the student is required to take six electives (12 units) to expose him/her to various areas for a career in finance: corporate finance, banking, investment management and government regulatory work. The core courses are macroeconomics and the financial system, financial analysis and reporting, quantitative methods, financial institutions and markets, corporate finance, investment management, financial derivatives and industry competitive analysis and strategic planning.

De La Salle University Graduate School of Business, on the other hand, offers a program towards a degree in Master of Science in Computational Finance. The aim of the program is "to provide educating students, investment professionals and financial advisers to integrate mathematical and statistical models and techniques with financial theory and computer technology." (DLSU Brochure). Core courses include mathematics of investment, financial management, management science, multivariate analysis, investment analysis, portfolio management, trading software and programming, and securities research.

At the University of Santo Tomas, they offer a program in Master of Science in Commerce major in Banking and Finance. Courses include financial management, economics of money and banking, securities and financial markets, credit management, monetary theory and policy, managerial accounting, investment management and managerial economics.

The scope of finance courses offered in graduate programs by the leading academic institutions reveals certain thrusts and market niches that they want to address. Although the AIM does not offer a graduate program in finance the list of electives in finance in their MBA program is quite extensive and relevant to the specific needs of a financial sector opening up to the global environment. The UP program is more focused than the AIM list of electives by directing students to four fields: corporate finance, banking, investment management, and government regulation. The DLSU program is tools-oriented and bias towards corporate finance and investment management. The UST program, on the other hand, mirrors the courses offered in undergraduate programs in banking and finance.

One weakness of these programs is the inadequate foundation in economics. In many graduate courses in finance abroad, a solid foundation in advanced microeconomics and advanced macroeconomics together with the tools of advanced statistics and econometrics is required among the students. Financial economics and advanced courses in finance are best understood by theories in microeconomics and macroeconomics.

4.1.3.3. Graduate Programs in Accountancy

De La Salle University- Manila offers a graduate program towards a degree in Master of Science in Accountancy (MSA). The MSA is a professional graduate accounting program intended to meet the needs of the profession for individual with a broad and extensive training in research and high quality professional preparation for teaching at the graduate level. It is a 42-unit program designed to develop in Certified Public Accountants a high theoretical knowledge and a sound understanding of advanced accounting and research principles and techniques in their pursuit of a research and teaching-oriented career. Course offered include current development in accounting research and financial accounting, current developments in auditing and auditing research, current development in managerial accounting, management planning and control, advanced auditing techniques, law and taxation and advanced accounting research. (<http://www.dlsu.edu.ph>)

At the University of Santo Tomas, they offer a Master of Science in Commerce major in Accounting. Some of the major courses include estate planning, practical controllership, operations audit, current issues in accounting and taxation, managerial accounting, investment management, managerial economics.

While the DLSU program is intended for the continuing professional education of CPAs in auditing practice and collegiate instruction, the program at UST has some relevance to finance practitioners since many of the courses offered related to finance.

4.1.3.4. Ph.D./ DBA

In Metro Manila, there are very few institutions offering doctoral studies in business. The Doctor in Business Administration (DBA) program is offered at De La Salle University-Manila, University of the Philippines-Diliman and Polytechnic

University of the Philippines. The University of Santo Tomas, on the other hand, offers a Ph.D. in Commerce.

The DLSU program is designed to train and develop business managers and the business faculty on the framework and strategic implications of business management concepts. Courses include advance statistics, organization theory, business economics, advanced management science, marketing, finance, production and operations, and human resource development.

At the University of Santo Tomas, they offer a course leading to a degree in Doctor of Philosophy major in Commerce. The program consists of completing 66 academic units. Some of the major courses offered are the following: corporate planning, government and business, executive management, organization development, risk management, labor and social legislation, cooperative management, performance management, management information system, international economics, management of corporate culture, public finance and fiscal policy, international business, project management.

At the University of the Philippines, the program consist of 45 units consisting of 18 units taken from the MBA program from among the courses including economic analysis, basic quantitative methods, managerial accounting and control, fundamentals of organizational behavior, fundamentals of marketing management, fundamentals of production and operations management, fundamentals of financial management, managing innovation, managing information technology, and general management. At the second and third years, 27 units are taken in business economics, management science, organization theory and five courses in the major field of specialization

The programs at UP and DLSU are lean and more focused compared to the heavy and diffuse course requirements at UST.

4.2. Non-Degree Training Programs of Professionals in Finance

4.2.1. ATENEO-BANKERS ASSOCIATION OF THE PHILIPPINES-INSTITUTE OF BANKING

Every quarter, the Institute of Banking of the Ateneo de Manila University-Graduate School of Business (AdMU-GSB)-Bankers Association of the Philippines (BAP) consortium has been offering certificate training programs in finance. Two courses offered at the time of the research are non-degree courses in Corporate Finance and Financial Analysis.

In course entitled Fundamentals of Corporate Finance the course description states the following: "The finance plays a crucial role in ensuring the continuing viability of a firm particularly during periods of uncertainty. This course provides an integrated view of the finance function in the corporate setting, its scope of responsibilities and authorities, and linkages with other segment of the organization. Emphasis is placed on

the discipline as function of management, upon the routine problems encountered by the financial manager, his/her methods of solution, and the rationale for his/her decisions."

The course, which employs lectures, interactive discussions, case analyses, and practical application exercises, covers the following areas:

- ◇ The Financial Function: An Overview and Introduction;
- ◇ The Mathematics of Finance and Investment;
- ◇ Basic Financial Planning and Control;
- ◇ Working Capital Management;
- ◇ Capital Budgeting;
- ◇ Short-, Medium-, and Long-term Financial Methods; and
- ◇ Special Topics, such as
 - ✓ Business Combinations;
 - ✓ Business Restructuring and Reorganization; and
 - ✓ Bankruptcy.

The course on Techniques of Financial Analysis, on the other hand, has the following course description: "This course provides the participants with the basic concepts and tools used in analyzing and interpreting financial data. Specifically, the course is meant to assist those involved in making credit decisions evaluate the creditworthiness of credit applicants using financial statements and other relevant financial information. Specific analytical tools and the related financial concepts are likewise discussed from the investment decision-making standpoint."

The course, which employs lectures, interactive discussions, case analyses, and practical application exercises, covers the following areas:

- ◇ Review of accounting fundamentals and generally accepted accounting principles (GAAP);
- ◇ Diagnostic evaluation of financial statements: contents, the interrelationships among numbers, and key areas of concern to readers;
- ◇ Techniques of financial analysis;
- ◇ Cash flow analysis;
- ◇ Time value of money; and
- ◇ Operating and financial leverage.

(Source: Ateneo-BAP Institute of Banking)

4.2.2. AIMR CHARTERED FINANCIAL ANALYST EXAM

The Association for Investment Management and Research (AIMR) offers a Chartered Financial Analyst (CFA) curriculum that is solidly grounded in the practice of the investment profession. The program is a globally recognized standard of measuring the competence and integrity of financial analysts. The CFA exam is administered annually in several countries. In our country, this program is offered by the AIMR in cooperation with the Asian Institute of Management. There are three levels in the study

program. Level 1 study program emphasizes tools and inputs and includes an introduction to asset valuation and portfolio management techniques.

Level II study program emphasizes asset valuation and includes applications of the tools and inputs (including economics, accounting, and quantitative techniques) in asset valuation.

Level III study program emphasizes portfolio management and includes strategies portfolio management and includes strategies for applying the tools and inputs in managing equity and fixed-income securities. (<http://www.aimr.org>)

4.2.3. FINEX EXAM

The Financial Executives Association of the Philippines (FINEX) felt the need to professionalize the practice of finance in the country. To this end the organization developed the Financial Management and Analysis Test (FMAT). The examination aims primarily to assist firms in determining the entry-level knowledge of applicants to finance positions in the basic concepts and foundations of financial management. The FMAT also helps firms in identifying the training and development requirements of finance people already in their employ. The test provides corporations with a standardized and objective basis of assessing present and prospective employees. (FMAT Primer---Appendix 4.5).

The FMAT will have three modules: 1) financial and management accounting; 2) corporate finance 1; and 3) corporate finance 2. Under Module 1: Financial and management accounting, the part of financial accounting will test the examinee's knowledge of basic accounting concepts and methods, and financial statements. Management accounting will assess the examinee's knowledge of the methods, tools, and techniques available for managerial planning and control. (FMAT Primer).

Module 2 or Corporate Finance 1 will test examinee's knowledge on the following topics: understanding financial statements; financial planning and forecasting; sources of short-term funds; working capital policy; management of cash, marketable securities, accounts receivables and inventories. (FMAT Primer).

Module 3 or Corporate Finance 2 will test examinee's knowledge on economics, both macro, and micro. It will test examinees in terms of their understanding of basic theories and principles, of corporate investment, financing and dividend decisions; long-term financial management in the Philippines. . (FMAT Primer).

4.2.4. TRAINING PROGRAMS OF BANKS

Most banks offer training programs for its employees. Those with management potential from the rank and file are recommended to management training program. The topics include: branch operations, treasury management, trust operations, account management, international finance. After the training program, the trainees take written and oral examinations. Then, they are fielded in the various bank units as junior officers.

Those in supervisory level, middle management also attend seminars to up-date themselves with changes in finance.

4.2.5. TRAINING PROGRAMS AT THE INSURANCE COMMISSION

There are many continuing professional programs that the Insurance Commission offers and seminars is one of them. The Insurance Institute for Asia and the Pacific (IIAP) aims “to support the insurance industry through education, training and research.” Also, the IIAP aims to train Insurance officers in the different fields of insurance and management. This is to make sure that insurance companies here in the Philippines are at par with rest of the region.

The IIAP has specific objectives and these are as follows:

1. to impart knowledge and skills in insurance and other related fields in the Philippines as well as in the other countries of Asia and the Pacific;
2. to develop a core of trained and qualified trainers in the various subjects involved in the insurance industry;
3. to develop the competence of professional managers occupying the lower, middle and upper management positions in the industry;
4. to undertake research and studies, conduct inquiries and obtain data on the laws, practices and operations of insurance in the Philippines, Asia and the Pacific for the purpose of improving and developing industry practices, management techniques; skills and technological efficiency;
5. to develop and promote courses on insurance and business management, theoretical as well as applied.

The Insurance Institute for Asia and the Pacific also conducts quarterly seminars to further broaden the perspective of those who are interested in Insurance or are already in similar fields. An example of the courses offered comes the list of the 3rd quarter seminars are the following:

- a. 109th Basic Non-Life Insurance Course
- b. Reinsurance Accounting
- c. Introduction to Loss Adjustment
- d. Budgetary
- e. 110th Basic Non-Life Insurance Course
- f. Engineering Insurance
- g. Business Interruption
- h. Advanced Reinsurance
- i. Fire Surveying and Loss Control

<http://www.iiasiapacific.com.ph>

4.2.6. TRAINING PROGRAMS OF SEC and PSE

The Philippine-SEC Institute Foundation, Inc. (Phil-SEC) primary purpose is to establish and provide an institutional medium that will initiate, sponsor, promote, develop, assist, or conduct seminars, programs and projects geared towards research and development in the various disciplines of securities development and regulation and other related fields of endeavor.

The Phil-SEC engages in activities involving any or all of, but not limited to the following:

- ◆ To organize training programs to enhance the skills and qualifications for the Phil-SEC staff regarding the SEC's administrative, regulatory and supervisory functions.
- ◆ To develop professional standards among securities market participants and organize training sessions in preparation for certification exams on various aspects of the Philippines securities industry.
- ◆ To enhance the working knowledge of the Phil-SEC staff and practitioners in the Philippines securities markets on key aspects of financial markets in the Philippines and their regional and global linkages. (PSE Fact Book 1997).

Another training center is the Capital Market Development Center, Inc. (CMDCI). CMDCI is a non-stock, non-profit institution that serves as a coordinating organization for institutions involved in training and research for the development of the Philippine capital market. (PSE Fact Book 1997).

4.3. Comparative Analysis Between Degree and Non-Degree Programs

Because finance is highly specialized and differentiated field, the degree courses both in the undergraduate and graduate programs are not sufficient to fulfill the needs of an ever changing financial sector in a global setting. With our financial sector being integrated in the global market and the impact of information technology, new products and services as well as skill requirements are emerging. The current degree programs offered by educational institutions cannot fulfill all the human resource needs of this dynamic sector. One school of thought views the role of educational institutions as providing the training for basic skills and competencies. Another perspective is the need for schools to train individuals with the specific skills needed by the industry.

The first view emphasizes basic education and foundation courses. They should be trained in communication skills, reading and writing and critical analysis and people skills. On foundation courses, finance practitioners should be well-grounded in economics, mathematical analysis, statistics and accounting.

If the graduates of finance programs are well grounded in these foundation courses, then professional organizations as well as financial institutions can play an important and relevant role in providing non-degree continuing professional education.

They can complement what academic programs conducted by educational institutions by offering training and non-degree programs meant to upgrade finance professionals in the current developments in the field. The training programs will be specific and intended for practitioners in financial services.

There are some sectors in the finance industry calling for licensure examinations in the name of professionalizing the finance practitioners. Although, this has some merit in terms of limiting the number as well as for quality control, there are also disadvantages. For one, the accountancy programs of our business schools are geared primarily towards the passing of the CPA licensure examination. Because of this orientation, a number of some of the more important issues in finance, economics and statistics that CPA should also understand particularly those who will be finance professionals are not offered in their academic curriculum because these courses are not covered in questions asked in the licensure examinations. A licensure examination in finance similar to the CPA licensure examination may fall into the same pitfalls of the latter and limits the flexibility and dynamism in finance education.

If any licensure examination be given, it should be to practitioners in the field and for specific services in the finance sector. In addition, it should be given by a professional organization. The key is continuing professional education and upgrading of professional competence similar to the ones practiced by medical doctors and actuaries. One problem with licensure examination is that once you passed it, you may possess the license forever. But a profession like finance, the developments are so fast and the service offered are ever increasing, there is a need for periodic review and evaluation of competence of professionals.

Initially, the non-degree programs complement the degree programs. It bridges the gap between the needs of industry and what the academe has taught. Apparently, new graduates are still inadequate with technical skills and come in raw. As for the FMAT, it gives would be employers, an assessment of the applicant's grasp on the concepts in financial and management accounting, corporate finance and economics. These areas are covered in all the programs offered by the five schools surveyed by CHED (see Sec.4.1.2).

Those who are serious in pursuing a banking career can look at the course offerings of the ATENEO-BAP Institute of Banking since these specialized courses and the professional's experience can prepare him/her for executive positions. Also, another way of preparing for higher management levels is through MBA and management training programs of banks. On the other hand, those who want to pursue careers in the stockbrokerage can take the test conducted by Phil-SEC to be a licensed trader.

Those who want to be chartered financial analyst, can take the three levels of program study. Most of the topics included in the review are covered by the five schools surveyed. However, the coverage may not be an in-depth as the one required by the CFA test. The recommended materials maybe used by some schools in their courses but not all of them.

Most of the training programs abroad focus on the preparation for the CFA examinations. Several review programs are given for the CFA examinations. Other training programs include financial planning, insurance, securities licensing (Appendix 4.6).

4.4. Demand and Supply Analysis of Manpower Requirements

For the analysis of demand for labor in the financial sector under a globalized setting, we based our estimates on the trend of the employed laborers in sector from 1988 to 1998 taken from the annual Labor Force Survey of the National Statistical Office (NSO). The period covered in the analysis is quite relevant because this coincides with the liberalization of the sector and opening to the global market.

Appendix 4.7 shows the trend in the number of employed workers in banks, non-banks and insurance institutions by educational qualifications over a period of 10 years. In 1998, there were 260,915 workers employed in various institutions of the financial sector where banks accounted for 55% of the workers. Non-banks and insurance firms, on the other hand accounted for 22% each of the estimated employed workers. The estimated employment figure for the sector accounts for only 0.88 % of the total labor force of the country.

Although the sector absorbs only a very small portion of the economy's labor force, it is one of the fastest growing sector in terms of employment. While the national labor force has increased by 32.42% over the period covered in the analysis, the financial sector has increased by 60% for the same period. In 1988, the sector has employed an estimated 163,032 workers with banks absorbing 58% followed by insurance with 32%, and non-banks 10% of the total. The non-banks registered the highest growth rate in the past 10 with an estimated growth rate of 275% followed by banks with 51% while insurance has remained almost stagnant registering a very low 11% growth rate. This trend implies that financial liberalization in the country brought about tremendous growth in employment in non-banks financial institutions.

In terms of educational qualifications, 70% of the employed workers in 1998 are college graduates and 17% are college undergraduates. Banks registered the highest proportion of workers with college degrees (76%) while non-banks has the lowest with 56 percent. One-fourth of the employed workers in non-banks institutions are college undergraduates.

Since the data presented in Appendix 4.7 represent the stock of manpower per year in the sector, for demand analysis we need the employment flow or the changes in the stock of employed workers. To do this, we have subtracted the previous year employment stock from the current year employment stock to get the incremental required manpower per year. The computed changes represent annual demand for manpower in the financial sector. This computation was done only for workers who are college graduates. (See Appendix 4.8).

From Appendix 4.8, we observe fluctuations in demand for manpower over the years. The highest annual demand was registered in 1997 with 33,741 while negative increases were noted in 1991 and 1997 of over 7,000 each. The 1997 negative employment increment can be attributed to the regional financial crisis that took its toll on the ability of the sector to absorb additional workers. The 1991 experience can be due to the stagnant growth of the national economy.

For supply, we have used two indicators in the absence of data on the number of students as well as graduates of finance programs in our colleges and universities. The first indicator utilized is the number of graduates in commerce and management while recognizing that only a small portion of the commerce graduate are finance students. This data was taken from the Commission on Higher Education (CHED). The second indicator that is probably nearer to the number of finance graduates and the graduates going to the financial sector is the number of CPA examinees. This number based on the annual passing average in the CPA licensure examination taken from Professional Regulation Commission (PRC). However, we recognize the limitation of this number as it understates the number of accounting graduates since many accounting graduates do not take the licensure examination.

Based on the first supply indicator which is number commerce graduates, we would expect a substantial excess supply of graduates to fill in the annual manpower requirements of the financial sector. The highest excess was registered in 1994 with 81,001 and the lowest in 1997 with 7,323 excess manpower. However, if we use the number of CPA examinees, there are years with shortages and years of excesses. The annual demand was higher than supply in 1990 (-249), 1995 (-2,386) and 1996 (-25,813). However, the negative increments in supply in 1991 and 1997 due to the economic crises gave rise to huge surpluses amounting to 17,668 in 1991 and 16,798 in 1997. Based on these estimates, we find that the manpower requirements of the financial sector has been met by the graduates of commerce programs and even the accountancy programs.

V. Issues and Concerns

5.1. Adequacy of Existing Training Programs in Finance

There are some positive features contributing to the relevance and potential strength of the undergraduate finance education in some select schools in the Philippines. The fact that we use English as a medium of instruction, many of our courses in finance can avail of some of the latest textbooks written in the English language, and used extensively in many universities abroad. In addition, the course syllabi often follow the contents of books and patterned after standards set in many American universities. Another feature in many private higher educational institutions in the Philippines is the hiring of a substantial number of part-time faculty members. In some select institutions, these part-time teachers are practitioners in the finance industry, mostly senior officers of banks and other financial institutions. A good number of these senior officers, who are teaching on a part-time basis, have earned their graduate degrees in business either here

and abroad. Thus, we have qualified practitioners who can teach and utilize some of the best textbooks available in finance.

However, the problem as cited in a previous section of this report is the manner in which the syllabus is carried out and academic curriculum implemented. Given the limited academic qualifications of majority of teachers in many schools; the heavy academic load they carry every semester; and the lack of professional practice, they may not be able to appreciate the technical sophistication and the dynamic changes in the field of finance, particularly, in a global financial environment. Because of the inadequacy of teachers, some finance teachers use locally written textbooks that are usually surveys of the various components of the discipline.

Another problem faced by educational institutions is the limited number of schools that are able to hire financial executives as part-time faculty. Even in big cities outside Metro Manila, the most that they can get are branch bank managers in the region. Since many of the key financial institutions are in Metro Manila, it is difficult for these non-Metro Manila schools to get highly specialized individuals in finance.

Aside from the quality and other academic constraints, the undergraduate programs in finance seem to be inadequate to meet the demands of a rapidly growing field brought about by globalization and information technology. This deficiency is supposed to be answered by the various graduate programs in finance and related fields. The graduate programs in finance at DLSU, UP and UST, and in accountancy at DLSU and UST have well-defined and specific curriculum intended to answer several niches and differentiated manpower needs in the financial market. However, in spite of the growth in the financial sector, students in these programs are very few compared to the students in the MBA programs in these universities. In fact, graduate education in the country is composed mainly students in business, mostly MBA, and students in education. One interpretation for this strong demand for MBA program is the preference of business students for the general management thrust the program provides. It can also imply that for specialized training, like financial services, practitioners oft not to enroll in graduate programs but prefer specialized non-degree training programs.

This trend in graduate education in finance has certain implications on the role of degree-granting institutions in the formation of human resources in the financial sector. It seems that the emerging role of schools is not primarily the training of human talents with highly specialized skills in finance. As mentioned in previous literature and studies, what the financial sector needs are individuals with good communication skills and analytical skills or highly trainable and adaptable individuals. If this is the case, our undergraduate programs in finance should be well grounded in the foundation courses that stress the training of students in communication skills, critical analysis and human relations skills.

As mentioned in the Chapter 3, a survey done by the BAP, survey of stock market brokers, and insurance industry showed the required skills for entry level: For the Banking Industry, requirements include excellence in oral and written skills and

proficiency in numbers or forecasting; good analytical skills, attentiveness to details, and orderliness. Knowledge in computer applications like MS DOS, Microsoft Office and other computer applications. They must also have a background in accounting and finance.

For the Insurance Industry, the specific skills required of an applicant are almost similar to the banking and stock brokerage professions. They include: excellence in written and oral communication; selling and servicing; and computer literacy.

For Stock Brokerage firms, no specific course or age is required, as long as he or she passes the Certified Securities Representative examination given by the Securities Exchange Commission. For the order taker, he/she is required to take the MAKTRADE Examination, before one gets a license. He/she must also have an adequate knowledge of the stock market here and abroad.

The above results are not mere adherence to CHED requirements but this somehow facilitates training of graduates joining said industries. Probably what is needed is familiarization with products offered in the global market. As for the banking and stock market industry, the trend is to go more online banking and trading. We have a few banks and brokerage firms who have dealt with online banking. Also, derivative and option products are being developed in the banking area. However, our curriculum touches this topic at a minimum level because the argument of faculty is it is difficult to teach something that does not yet exist or perhaps is just being introduced in the Philippines.

Also, for the stock exchanges and insurance, cross listing of products and familiarity with them is necessary to be abreast with developments in a globalized environment.

The relevant and appropriate training programs for financial specialists, therefore, are the non-degree continuing professional education programs conducted by several professional organizations. These programs are task-specific, skills-oriented and tailor-made to suit the needs of financial professionals in a rapidly changing financial sector. In complementing the degree programs, they bridge the gap between the needs of the industry and what the academe has taught the students. For example, the proposed FMAT of FINEX can assess the applicant's grasp of the basic concepts in financial and management accounting, corporate finance and economics. For those pursuing a career in banking, the comprehensive course offerings of the ATENEO-BAP Institute of Banking can prepare individuals for executive positions. Those who want to be chartered financial analyst, the CFA program and test conducted by the Association of Investment Management and Research is a must. The various training programs of the Insurance Commission, Philippine Stock Exchange and the Securities and Exchange Commission are highly organized to suit varied needs of the sectors the finance industry. Given the breath of coverage of finance, the differentiated specialization and the innovative changes in the sector, no graduate program in business, accountancy and finance in this country can match the scope and breath of specialization given by these training programs.

Granted that academic programs are rather incomplete in meeting the training needs of the financial sector and since the relevant finance training programs are taken in post-baccalaureate non-degree programs provided by professional organizations, what then is the role of an academic undergraduate finance and finance-related programs? Aside from the formation of the crucial skills and competencies, undergraduate programs may serve as a screening device in selecting graduates that the industry will hire. The screening devices or information-enhancing indicators may include, among others, the type of schools and academic programs attended by the job applicants.

Although finance is a very specialized field, graduates of commerce, accounting, computer science, banking and finance and economics, are being hired in several financial institutions. However, it is perceived that accounting graduates or CPAs would be more productive employees compared with finance graduates, other things being equal. Graduating with honors and with special awards as well as the type of school where applicants graduated are also given priority as they enhance the information given to the employer on the ability and potential productivity of the employee.

Schools of recognized quality are perceived by the industry as leading institutions that provide quality education and produce good graduates. Many companies hire graduates from these schools as they match the manpower needs of industry. Since students are also informed of this industry perception, they in turn demand the services and programs of these academic institutions as part of their information-enhancing activity rather than for increasing their productivity through the acquisition of skills.

If schools are consistent in maintaining the quality of their programs and graduates over time, they are able to create an image or a charter of quality institution. As perceived by the students and the industry, maintenance of this image or charter may lead to a sustained demand for their graduates as well as the continued competition among students for limited spots in these academic programs. Schools, in turn, are able to get the best students among several applicants given limited slots available due to resource constraints particularly qualified teachers, classrooms and other educational inputs. The role of college education, therefore, from this perspective is to screen students with high mental and emotional abilities from those with low abilities so that firms will be able to train them with ease and at lower costs.

5.2. Quality of Graduates

Based on the BAP study, there is a perception among banking executives on the inadequacy of graduates of entry-level positions on skills required in banking institutions. Although many of the newly hired employees of the banks are coming from other non-finance academic programs, the very few graduates of finance programs are going into the more lucrative sectors in the financial sector. Many finance graduates can end up as financial analyst or dealers in the stock market and securities market. Even in the banking sector, there are positions that are more competitive than bank tellers. Moreover, there is a perception among applicants on the ranking of banks based on their compensation

package as well as programs for professional growth. These factors together with numerous professional options in the industry can limit many banks to hire non-finance and sometimes non-business graduates.

In many schools, finance students are perceived as second class citizens compared with accounting students. Even in the labor market, this perception continues as many firms hire accounting graduates with special premium for CPAs for finance-related job. Is this a manifestation of screening process in the job market? Does a CPA applicant possess a package of good information on his ability to perform his job adequately?

Because of the high failure rates in the CPA licensure examination averaging 83 percent in the last five years, some unsuccessful examinees are attracted to jobs related to finance. In addition, it is estimated that more than half of the CPAs in this country are not in public accounting or auditing professions as indicated by the low percentage of taking continuing professional education and renewal of license. (Tullao, 1999). It is possible that these professionals are in accounting-related fields including finance. It is not unusual to see that many of the treasurers, vice-presidents for finance, and key officials in the treasury are mostly CPAs but they are not practicing public accounting or auditing.

The orientation of accountancy programs in almost all schools in the country is towards the passing of the CPA licensure examinations. In addition, many of the students who take the accountancy program and pass the CPA examinations are usually the top students in the hierarchy of business programs. Since this is the case and as argued earlier, it is possible that many of our key finance officers possess good academic credentials and intellectual ability but they did not specialize in finance in their undergraduate programs. But then, where did they learn their specialized knowledge in finance? It is highly probable that on the job and specialized training programs were taken by them financed by the company or the individual. Since these individuals possess high intellectual ability, they are able to absorb new knowledge and easily trained in new skills that become the determining factors of their successful professional careers in finance.

If this case continues in the labor market for financial services, companies will continue to hire CPAs, and MBAs first before considering those with finance degrees. Since the market is relatively segmented, firms offering attractive compensation package and perceived to have affirmative action programs towards professional growth will be filled in by CPAs and MBAs. Graduate finance undergraduate may end up in the second tier of jobs and firms. However, finance being part of the service industry, it will require jobs of service front liners who may be recruited from non-finance and even non-business programs. The limited knowledge of basic finance of these employees can sometimes increase the internal training programs of banks.

Because of this perception of being second only to CPAs, many finance executives and practitioners are planning to initiate an examination for financial analyst as one move towards the professionalization of finance specialist and give the CPAs a stiff competition in the labor market in an emerging financial market.

5.3. Matching Industry Needs with Educational Capacity

Based on our initial demand-supply analysis of manpower requirements in the financial sector, we have concluded that the manpower demands of this dynamic sector as shown by its rapid growth in employment can be matched by the graduates in commerce programs as well as graduates in accounting programs. There is a view in the industry that there is more than enough finance graduates to fill in the available positions but too little graduates who can meet the standards set by the finance industry. Only graduates from the top Philippine universities can meet the industry's criteria. Aside from poor communication skills and lack of computer literacy, the inappropriateness of their knowledge of finance with the requirements of a globalized financial sector are often cited as problems in hiring new graduates. Mismatch in relation to the competency level of graduates with that of the demands of the industry is not a new issue in the financial sector and the educational sector.

The complaint of the industry on the mismatch of graduates and industry need is a legitimate concern. However, if we compare the industry requirements with the curricular requirements of the Commission on Higher Education (See Table 5.1), we note that the major skills and competency requirements of the industry are being met at least in terms of offering of academic courses related with appropriate skills. On educational qualifications, commerce, accountancy, finance, computer science and economics, academic programs where the industry draw their manpower, are offered in most of the colleges and universities throughout the country. The only caveat is the quality of academic programs offered varies in numerous educational institutions across the country. As mentioned in previous section, the quality of teachers and other educational inputs determine the quality of instruction.

On skills requirements, the key respondents cited communication skills, analytical skills, computer literacy, background in accounting and finance, including selling and servicing for the insurance industry as the relevant skills needed in the industry. Based on the minimum CHED curricular requirements, we have noted that these skills and competencies are being addressed, albeit limited, by the number of academic credit units required. Communication skills are tackled in English, Filipino and philosophy and humanities. Analytical skills are taken up in mathematics, statistics, operations research, economics, social science, science and business law. Computer literacy is covered in information technology courses. There are some courses, however, like Rizal, that may not suit any of the skills and competencies required.

Since the schools are given leeway in increasing the requirements beyond the CHED minimum standards, the value of these courses may be indicated by the amount academic units are augmented in several schools. For example, a school in Metro Manila require up to 18 units of English when CHED requirement is only 6 units because it recognizes the importance of communication skills in English for business students. But for Filipino, most schools follow the mandated 6 units. Many schools follow the minimum CHED requirement for science, social science, information technology, and the

humanities. On the other hand, mathematics, economics, business management, business law are given additional credit units in many schools reflecting their value for developing analytical skills among finance students.

On personal characteristics, there is a very wide gap between what is required by the industry and the curriculum set by CHED. Understandably, these qualities are formed in other socializing institutions including the family, church and to some extent basic education. We have, however, identified courses in humanities, business management and social science that may have indirect bearing on the development of personal characteristics particularly their people skills.

The additional recommendation of the key informants on the offering of specialized courses in banking, finance and investment can be addressed by the 21 units required for major professional courses. There are schools that require up to 39 units of major professional courses and the specialized courses may be integrated in this category. For courses in information technology, what is ideal is not to increase the number of units but to integrate information technology in business, finance and other relevant courses.

One conclusion in this gap analysis is not to increase the number of academic credit units that will address the various skills and competencies required by the industry. Although there is value in reallocating academic units to reflect the needs of the industry, even this alternative may not be the most efficient avenue in addressing the mismatch issue. One important recommendation is the need to integrate all the skills and competencies required in all courses. Information technology for example should not be relegated to computer courses but all courses should apply and integrate information technology in the delivery of the course. Similarly, analytical skills should not be given only to mathematics and the sciences but all courses should develop the analytical skills of students. Likewise, communication skills should be integrated in economics, finance, accountancy and mathematics and should not be relegated solely to the teaching of English and Filipino. Once we have adopted this philosophy of education, the new developments in the industry will not be addressed by increasing the number of units or reducing or removing irrelevant courses. As we have reviewed earlier, even the courses under general education in business are relevant in the formation of communication skills, analytical skills as well as in enhancing some positive personal characteristics. All courses can be relevant depending on how they are conducted and how they address or answer the skills requirements of the industry.

But the key in implementing this integrative approach to instruction is the quality of teaching force. The problem of mismatch is not due to the outdated curriculum nor the number of irrelevant general education courses nor the inadequate units of business courses but more so on how this curriculum is implemented at the school and even classroom level. The efficient implementation of the curriculum is centered on the quality of teachers. No amount of juggling and horse trading of academic units can fully address the inadequacies of our business schools if the faculty members are not academically prepared to teach and do research. Thus, the more pressing issue in our business schools is not the introduction of new courses nor the revision of the curriculum to reflect the new

skills in the market, although they are important, but the need to upgrade the academic qualifications of our teachers.

Following Flynn's (1988) view on skills training life cycle, educational and training institutions will always be lagging behind in terms of training of new skills. Schools are effective institutions in the training of standardized or fully developed technologies. This can explain the phenomenon of mismatch between graduates and the needs of industry. The mismatch is more pronounced if the industry is characterized by new technologies while educational institutions are still giving training programs for standard technologies. If such phenomenon occurs, the industry will conduct its own training programs to train new entrants in the industry incorporating the technological innovations in the industry.

An implication for this view is that in the life cycle of skills training programs, the locations of training programs will depend on the stage or level of technological innovation and adaptation. Schools cannot be ahead of industries in the introduction of skills training for new technologies. Since innovative technologies are company specific, then some form of specific training should be conducted and financed by innovating companies. As these become developed, standardized and adopted by the entire industry, it is then that schools start offering training programs of standardized technologies.

Another reason for the lag in technological innovations in educational and training institutions is the asymmetric information available to schools and the industry. Although it can be argued that universities and research institutions are the source of innovative technologies, training institutions do not know which new technologies are going to be adopted by firms. Because there are uncertainties on what innovative technologies will be adopted and huge costs involved in designing training programs, schools cannot decide before hand or second-guess the needs of industry. In addition, even if they know the needs of the industry, they may not have the human resources to conduct the training programs for skilled manpower required by the industries. But once the technology has reached widespread application, it is easier for the schools to offer training programs in these technologies. At that time, there will be a number of takers, teaching personnel will be available, and the marketability of the program is assured.

Applying this view in the financial sector, the Philippines cannot be considered as a trailblazer in financial innovations given the state of technological developments in finance in the global context. The most that we do is implement standard technologies through transfer of technology. As earlier discussed, the level and type of training that will be undertaken by schools, companies and professional organizations will be determined by the stage of development of skills training program and the specific skills needed by the financial sector.

5.4 Human resources issues confronting the financial sector

In terms of **recruitment and selection**, a person with a degree in commerce, accounting, finance, economics and even computer science is usually hired for entry

positions in the financial sector. Although there are no professional license requirements, some degree of screening is observed in many banking institutions with preference shown on graduates from top three schools in the Philippines. Invariably, communication skills, numeracy skills and computer literacy are considered important in banking and insurance companies. However, for brokerage firms, knowledge of the stock market and passing examination for certified securities representation and the market trade examination are required. For personal skills ethical integrity and honesty top the list. In addition, excellent human relations and motivation skills are important requirements for the workers in the financial services holding both staff and managerial positions.

It should be noted that there are human resource implications of the continuous consolidations/mergers and reengineering ventures of finance institutions on the supply of bankers due to retrenchment. On the other hand, in view of liberalization, the country may experience a shortage of highly qualified professionals to work locally because they now have opportunities to be hired abroad. With the entry of foreign banks, a dual internal labor market can also emerge with differences in compensation between foreign and local professionals.

In terms of **training and development**, there is a need for updating and upgrading existing programs. The focus should be towards the developments and requirements of an integrated financial market. For example, attendance in international conferences for updates on international rules in banking will become necessary as the banking sector becomes more integrated globally.

The attraction of a career in the financial sector is influenced to a great extent by a package benefits to given to the employees. With a more globalized financial sector, this package will have to be upgraded. There are several factors that contribute to the compensation upgrading. One is the competition coming from foreign players that may hire local professionals taken from domestic firms. Related to this is the impact of brain drain. As the financial markets in the region become integrated , the free flow of professional services may entice Filipino financial experts to seek employment overseas. Another factor is the upgrading of skills in a highly dynamic sector. Acquisition of skills through training programs will only be attractive if the future monetary returns are enhanced. Such upgrading of compensation package can also create a segmented internal labor market as domestic financial institutions hire foreign professionals.

5.5. Improving Undergraduate Education in Finance

Although we believe that an undergraduate education in finance should not be too specialized and be considered as the sole training ground for skills in financial services, there are various ways of improving the program. Aside from the emphasis on the foundation courses, specialized courses in banking should be offered or at least introduced including risk management, international banking, mergers and acquisitions, hedge funds, mutual funds, interest rates and foreign exchange options, swaps and others.

Although there is value in improving the undergraduate curriculum in terms of focus, contents and relevance to the needs of the financial sector, the key is the improvement in the quality of teachers. With this, it can improve the curriculum, enhance the quality of instruction, and possibly start up academic research. There should be a balance mix of full-time faculty and part time teachers. A full-time faculty should have at least a master's degree in finance and related fields including accountancy and financial economics. With these degrees, finance teachers can appreciate the theoretical foundations as well as follow the current developments in the field. Aside from giving an overall framework to the practitioner's treatment of finance, these qualified full-time teachers in finance can also initiate research activities that will further enhance the quality of instruction. There are several graduate programs offered in some of the leading universities in Metro Manila. These programs are more relevant than the MBA program that many teachers in finance take currently. In addition, they are more discipline specific than the graduate programs in business education that focuses on the teaching of business courses. Although these graduate programs in finance are quite differentiated from the MBA and MBE programs, they should be improved and geared towards the formation of teachers in the undergraduate with strong foundations in accounting, economics, finance and statistical tools.

Given the tremendous impact of the digital revolution in facilitating the integration of financial markets, graduate of finance programs should be computer literate. The use of computer software programs in understanding the various financial services and tools of analysis should be integrated in the teaching finance courses. In many textbooks these software programs are standard components accompanying the books. To implement this program, there should be improvement in facilities and the allocation of financial resources in purchasing computers, software and textbooks.

Finance as it emerges now is one of areas in applied economics, or financial economics. But many of teachers in finance are grounded in accounting more than in economics. One way of improving the program is to emphasize the role of financial economics in the finance curriculum. Aside from the leading universities in Metro Manila, the lack of well-trained economic professors is one single factor that may hinder the development of finance education in the country. As mentioned earlier, the graduate programs in finance with a solid foundation in microeconomics, macroeconomics and econometrics can address the weak economic foundations of both teachers and the curriculum.

Another avenue of addressing this issue is to refocus the accountancy program away from public accounting by developing a program towards financial accounting or management accounting. There is a proposal being discussed currently with PACSB, PICPA and CHED and PRC on establishing two tracts in our accountancy program. One track is geared towards public accounting or auditing and the other is towards management accounting. This is meant to minimize the failure rate in the CPA licensure examinations and also to expose bright accounting students to the fertile field of corporate finance and management accounting.

5.6 International Cooperation

With the liberalization of professional services, and in particular the financial services and the fact that financial services is integrated globally, there is a likelihood that foreign professionals may be hired to accompany the entry of foreign finance service providers. Although foreigners are not yet a threat as many of our Filipino professionals and banking managers are the ones being sent abroad, possibility exists given the weaknesses in educational institutions and the neglect in continuing professional education. Filipino professionals may be displaced by foreign professionals particularly in the fields and areas where technological innovations in banking and financial sector is very pronounced.

On a positive light, it is also possible that with the liberalization of the financial sector, training programs on the innovations in the field developed by foreign financial institutions may also accompany these foreign service providers. Thus, we should welcome the entry of foreign financial institutions since they serve as conduit in upgrading the skills and competencies of Filipino professionals in the field of finance.

Because the need for highly-trained professions in finance is not only a requirement in the Philippines but also in other countries in the region, it may be wise for professional organizations, in banking, finance and insurance, to establish a consortium arrangement with the key universities in the region for the conduct of specialized training programs in finance. The ASEAN University Network together with the parallel professional and government groups in finance can provide a venue for a consortium arrangement in graduate studies in finance, economics and accountancy.

The financial sector is a dynamic industry which needs constant improvement and monitoring by its players and participants. As mentioned earlier, the entry level positions focused on the following skills: 1) computer; 2) oral and written communications. Integrity and honesty mattered most because of the sensitive nature of work in the finance industry. However, there is a continuing need to educate these entry level holders since in the future they would be holding key positions in various finance companies. It is not enough that they are trained with skills alone, there must be a continuing preparation for good governance of companies. It must be emphasized to those who are moving to middle or top management, the role that they play for the stakeholders of the company. These people must also be ethically and morally grounded to be able to carry out good governance and avoid the pitfalls of insider trading, scams. Probably, those entry level holders with the potential of becoming managers someday can be under the tutelage already of present managers. Perhaps the coaching method, aside from getting a masteral degree will help prepare these would be managers for the greater tasks ahead of them.

VI. Policy Recommendations

6.1. There is a need to continually review and upgrade the curriculum in finance to reflect the dynamic changes in the financial sector under a liberalized regime. The

CHED with the assistance of the Technical Panel on Business Education can conduct periodic dialogue with the academe and the industry leaders on how to make business education particularly finance education more relevant in contemporary setting.

6.2. There is a need to upgrade to quality of teachers in business and finance through graduate education and continuing professional education. The existing graduate programs in finance and accountancy should not only be geared towards practitioners but also the development of college teachers and academic researchers in the field of finance.

6.3. Undergraduate programs in finance should be well grounded in courses that train students in communication skills, critical thinking and human relations skills. It seems that the emerging role of schools is not primarily the training of human talents with highly specialized skills in finance but the development of individuals with good communication and analytical skills who are highly trainable and adaptable individuals. Ideally all courses should integrate communication skills, analytical skills, computer literacy and the formation of positive personal characteristics. The training of specialized skills in finance, on the other hand, can be done through non-academic training programs conducted by professional organizations.

6.4. There is a need to professionalize finance specialists through an examination for financial analyst. Aside from professionalizing the finance practitioners, it can give the CPAs a stiff competition in the labor market in an emerging financial market.

6.5. Aside from upgrading the skills of finance specialist to meet international competition, there should an upgrading of compensation package to arrest any egress of professionals. As the financial markets in the region become integrated, the free flow of professional services may entice Filipino financial experts to seek employment overseas.

6.6. The improvement of academic curriculum and quality of teachers should be complemented by a balance mix of full-time faculty and part time teachers. A full-time faculty should have at least a master's degree in finance and related fields including accountancy and financial economics while part-time faculty should be drawn from the management pool of financial institutions.

6.7. One way of improving the finance program is to emphasize the role of financial economics in the finance curriculum. Finance as it emerges now is one of the areas in applied economics. But many of our teachers in finance are grounded in accounting more than in economics.

6.8. There is a need to refocus the accountancy program away from public accounting by developing a program towards financial accounting or management accounting. This is meant to minimize the failure rate in the CPA licensure examinations and also to expose bright accounting students to the fertile field of corporate finance and management accounting.

6.9. Because the need for highly-trained professions in finance is not only a requirement in the Philippines but also in other countries in the region, it may be wise for professional organizations in banking, finance and insurance to establish a consortium arrangement with key universities in the region for the conduct of specialized training programs in finance.

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Co,Berlyne, Da Roza, Daniel, Jacinto, AJ, Libuit, Jennifer, Ortiz, Edward. Term paper discussion on the proposed changes on the Securities Regulation Code and its implications in the General Agreement on Trade and Services. March 1999.

Philippine Association of Collegiate School of Business (PACSB) Bachelor of Science in Business Administration Major in Finance / Banking / Financial Management / Accountancy Survey.

Appendix 4.1
CHED List of School Program Offerings

Schools Offering Finance and Other Finance Related Courses

Adamson University

900 San Marcelino St. Ermita, Manila
Tel. #: 5242011 local 119/ 113/ 114
Pres. Rev. Fr. Jaime A. Belita, OM

Program Offerings:

PHD in Management
Master in Business Administration
BS Accountancy
BS Commerce

Alejandro Colleges

Gen. Luis St., Novaliches, QC
Tel. #: 9372639/9372640/9361426
President: Mr. Uldarico D. Alejandro Jr.

Program Offerings:

Bs Business Administration

AMA Computer Colleges

5486 South Super highway Bangkal, Makati City
Tel. #: 8445154/8445338/8435246/8447436
Pres. Dr. Anabelle R. Aguiluz

Program Offerings:

Master of Business Administration
BA Economics
BS Accountancy
BS Business Administration

AMA Computer College, Quezon City

Maxima St. Villa Arca Subd., Proj. 8, QC
Tel. #: 9287839/9276980/9245608

Program Offerings:

Master in Business Administration
BS Accountancy
BS Business Administration

Arellano University

2600 Legarda St. Sampaloc, Manila

Tel. #: 7347371

President: Mr. Francisco P. Layco

Program Offerings:

Master in Business Administration

Master in Economics

BS Accountancy

BS Commerce

Arellano University, Malabon

Gov. W. Pascual Ave. Conception, Malabon

Tel. #: 2814992

Officer-in-charge: Mr. Eduardo N. Alunday

Program Offerings:

BS Accounting

BS Commerce

Arellano University, Pasay

3058 Taft Ave., Pasay City

Tel. #: 5122444

Officer-in-charge: Atty. Samson B. Turingan

Program Offerings:

BS Commerce/Bachelor in Commercial Science

ASIA Pacific College

3 Humabon Place Magallenes Village, Makati City

Tel. #: 8339232/8529232

President: Dr. Paulino Y. Tan

Program Offerings:

BS Commerce

Asian Institute for Distance Education

Unit 302 Greenbelt Mansion Perea St. Legaspi Village, Makati City

Tel. #: 8100968/81811110 loc. 203

President: Gloria M. Angara

Program Offerings:

BS Business Administration

ASIAN Institute of Management

123 Paseo de Roxas, Makati City

Tel. #: 8179240
President: Mr. Felipe B. Alfonso

Program Offerings:
Master in Management
Master in Dev. Management
Master in Business Management

ASIAN Social Institute
1518 Leon Guinto St. Malate, Manila
Tel. #: 595613
President: Dr. Mina M. Ramirez

Program Offerings:
Master in Economics

Assumption College
San Lorenzo Village, Makati City
Tel. #: 8170757/8942603
President: Sr. Clare Cecilia Salvani, RA

Program Offerings:
BS Accountancy
BS Commerce

Ateneo de Manila University
Katipunan Ave., Loyola Heights, QC
Tel. #: 9244601/4266001
President: Rev. Bienvenido F. Nebres, SJ

Program Offerings:
BS Management

Ateneo de Manila University, Makati City
13 H. Dela Costa Salcedo Vill., Makati City
Tel. #: 8997691-96
Vice-President: Dr. Alfredo RA Bengzon

Program Offerings:
Master in Business and Government Administration
Master in BA

Bernardo College
Pulang Lupa, Las Pinas, MM
Tel. #: (0912) 3064157/3179356
President: Mrs. Jesusan Bernardo-Guinto

Program Offerings:
BS Business Administration

CAP College

149 Legaspi St. Legaspi Village, Makati City
Tel. #: 8926395/8109142
President: Dr. Alejandro R. Roces

Program Offerings:
BS Business Administration

Central Colleges of the Philippines

52 Aurora Boulevard, QC
Tel. #: 7133364/7155170

Program Offerings:
Master in Business Administration
BS Accounting
BS Business Administration

Central Institute of Technology

P. Paredes Cor., Quezon Blvd., Sampaloc, Manila
Tel. #: 7310230
President: Mrs. Querubina C. Palarca

Program Offerings:
BS Commerce

Centro Escolar University

Mendiola St. San Miguel, Manila
Tel. #: 7422019-95
President: Dr. Lourdes T. Echarez

Program Offerings:
MA Business Administration
MA Economics
BS Accountancy
BS Commerce

Chiang Kai Shek College

1274 Padre Algue St., Tondo, Manila
Tel. #: 2526161-67
President: Joan Sy-Cotio

Program Offerings:
BS Accountancy
BS Commerce

City College of Manila

PNB Bldg. Escolta Sta. Cruz, Manila

Tel. : 2444007

President: Atty. Rafaelito M. Garayolas

Program Offerings:

Assoc. in Accounting

BS Accountancy

Colegio de San Juan de Letran

151 Muralla St. Intramuros, Manila

Tel. #: 5277693-97

Rector: Fr. Ramon C. Cercado, OP

Program Offerings:

Master in Business Administration

BS Accountancy

BS Business Administration

BS Financial Management

Colegio de San Lorenzo

Congressional Ave. cor., Uranus St., Proj. 6, QC

Tel. #: 9202891/4546644

President: Enrique F. Corallejo

Program Offerings:

BS Accountancy

BS Commerce

Concordia College

1739 Pedro Gil St. Paco Manila

Tel. #: 508696

Program Offerings:

BS Accountancy

BS Commerce

Dominican College

179 Blumentrit St. San Juan, MM

Tel. #: 705406-09

President: Sr. Ma. Dominica H. Seguban, OP

Program Offerings:

BS Accountancy

BS Commerce

Dr. Carlos S. Lantina College
16 Tandang Sora Ave. Novaliches, QC
Tel. #: 9387789-82
President: Dr. Romeo B. Casaul, MD

Program Offerings:
BS Business Administration

Emilio Aguinaldo College
918 Gonzales St. Ermita, Manila
Tel. #: 5212710/5233117
President: Dr. Jose Paulo E. Campos

Program Offerings:
BS Accounting
BS Business Administration

Eulogio "AMANG" Rodriguez Institute of Science and Technology
Nagtahan Sampaloc, Manila
Tel. #: 7151307
President: Dr. Arturo P. Casuga

Program Offerings:
BS Business Administration

Far Eastern University
Nicanor Reyes St. Sampaloc, Manila
Tel. #: 7413421/7355621
President: Dr. Edilberto De Jesus

Program Offerings:
MS Commerce
Master in Business Administration
BS Accountancy
BS Commerce

FEATI University
Helios St. Sta. Cruz, Manila
Tel. #: 7338321-25
President: Dr. Jose M. Segovia

Program Offerings:
MS Management
BS Business Administration
Assoc. Commercial Science

FERN College

Sampaguita Ave. Mapayapa Vill. Diliman, QC

Tel. #: 9320104/9311453

President: Mrs. Lourdes R. Montinola

Program Offerings:

BS Accountancy

BS Business Administration

Gov. Andres Pascual College

1045 M. Naval St. Navotas, MM

Tel. #: 2883848/2887970

President: Dr. Olivia S. Pascual

Program Offerings:

BS Accountancy

BS Business Administration

Greenville College

Belfast St. Pasig Green Park Vill., Pasig City

Tel. #: 6463277/6813554

Director: Consesa M. Baduel

Program Offerings:

Master in Business Administration

GREGG Business College

1621 Soler St. Sta. Cruz, Manila

Tel. #: 7334197

Administrator: Mrs. Rosario R. De Leon

Program Offerings:

Assoc. in Business Administration/Management

Gregorio Araneta

Victoneta Park Malabon MM

Tel. #: 3619053

President: Dr. Manuel D. Punzal

Program Offerings:

Master in Management

Master in Business Administration

BS Accountancy

BS Commerce

International Academy Of Management and Economics

1061 Metropolitan Ave. SAV, Makati City

Tel. #: 8962354

President: Dr. Emmanuel T. Santos

Program Offerings:

PHD Management

Master in Business Administration

BS Business Administration

Diploma in Management (2yrs.)

International Christian College

103 Gen. Luis St. Novaliches, QC

Tel. #: 9362926

Director: Ms. Teresita M. Trinidad

Program Offerings:

BS Business Administration

Jose Rizal College

Shaw Blvd., Mandaluyong City

Tel. #: 5318031

President: Atty. Jose D. Baltazar

Program Offerings:

Master in Business Administration

BS Accountancy

Bachelor of Commercial Science

La Consolacion College

Mendiola, Manila

Tel. #: 7360235

President: Sr. Emilia Lacvesta, OSA

Program Offerings:

BS Accountancy

BS Business Administration

La Consolacion College, Kalookan

496 A Mabini St. Kalookan City

Tel. #: 2879701

President: Sr. Ma. Gerolinda C. Tingson, OSA

Program Offerings:

BS Accountancy

LACSON College

2188 FB Harisson St. Pasay City

Tel. #: 8317423

President: Mr. Simeon Rene Lacson

Program Offerings:

BS Commerce/Bachelor in Commercial Science

Las Pinas College

Dr. F. L. Uy Ave. Pillar Village Bo. Almanza Las Pinas, MM

Tel. #: 8010245

President: Dra. Luz Co-Uy

Program Offerings:

Master in Business Administration

BS Accountancy

BS Business Administration

Lyceum of the Philippines

Muralla St. Intramuros, Manila

Tel. : 5278251-56

President: Dr. Soterioit Laurce

Program Offerings:

MA/MS Economics

Master in Business Administration

BA/BS Economics

BS Accounting

BS Business Administration

Malabon Community College

Maya-maya St. Dagat-dagatan, Malabon, MM

Tel. #: 2878948

President: Dr. Pablo Tangco

Program Offerings:

BS Business Administration

BS Accountancy

Manila Central University

Epifanio de los Santos Ave., Kalookan City

Tel. #: 3641071

President: Dr. Lualhati Tanchoco Gonzalez

Program Offerings:
BS Accountancy

Manuel L. Quezon University

916 Hidalgo St. Quiapo, MM
Tel. #: 7340121-24
Acting President: Atty. Augusto B. Sunico

Program Offerings:
Master in Business Administration
MS Commerce
BS Accountancy
BS Commerce

Martines Memorial College

198 A. Mabini St. Maypajoo, Kalookan City
Tel. #: 2888861-63
President: Dr. Ferdinand A. Martines

Program Offerings:
BS Business Administration

Metro Manila College

966 Plaza Novaliches, QC
Tel. #: 4191482
President: Dr. Ligaya M. Miranda

Program Offerings:
Master in Business Administration
BS Accountancy
BS Commerce

Miriam College

Katipunan Rd., Loyola Heights, Diliman, QC
Tel. #: 9272421-31
President: Dr. Loleta N. Castro

Program Offerings:
BA Business Administration
BS Accountancy

Mt. Carmel College of QC

769 Aurora Blvd. Cubao, QC
Tel. #: 7249913
President: Dr. Roman Victor A. Reyes, Jr.

Program Offerings:

BS Commerce

Muntinlupa Polutechnic College

Contessa Bldg. Poblacion, Muntinlupa City

Tel. #: 8425548

Acting Dean: Mr. Benjamin Santos

Program Offerings:

Bachelor in Accountancy

BS Commerce

NAMEI Polytechnic Institute

123 A. Mabini St. Mandaluyong City

Tel. #: 5317328

President: Mrs.Ma. Victoria P. Estrella

Program Offerings:

BS Business Administration

National College of Business and Arts Fairview

Regalado cor. Commonwealth Ave. Fairview, QC

Tel. #: 4270290/9216071

Pres. Atty. Jose Torres

Program Offerings:

BS Accountancy

BS Business Administration

National College of Business and Arts

994 Aurora Blvd. Cubao, QC

Tel. #: 9211619

Pres. Atty. Jose Torres

Program Offerings:

BS Accountancy

BS Business Administration

National University

551 MF Jhocson St. Sampaloc, Manila

Tel. #: 613431

President: Dr. Jesus M. Jhocson

Program Offerings:

BS Accountancy

BS Commerce

Navotas Polytechnic College

Naval St. Navotas, MM

Tel. #: 2826233

Dean: Dr. Flora C. Besacruz

Program Offerings:

BS Accountancy

Assoc. in Business Management

New Era University

St. Joseph St. Milton Hills Subd., Diliman, QC

Tel. #: 9214221

President: Dr. Corazon C. Osorio

Program Offerings:

Master in Business Administration

BS Accountancy

BS Business Administration

Olivarez College

Dr. A. Santos Ave. Sucat Rd., Pque, MM

Tel. #: 8278746

President: Dr. Pablo R. Olivarez

Program Offerings:

Master in Business Administration

BS Accountancy

BS Commerce

Our Lady of Lourdes College

5031 Gen. T. De Leon St. Valenzuela, MM

Tel. #: 2939372

Administration: Mr. Teodardo A. GAAC

Program Offerings:

BS Commerce

Pamantasan ng Lungsod ng Maynila

Muralla cor. Gen. Luna St. Intramuros, Manila

Tel. #: 5277941

President: Dr. Vircely M. Dela Cruz

Program Offerings:

Dr. of Business Administration

Master of Business Administration
BS Accountancy
BS Business Administration

Pamantasan ng Makati

Sen. Gil Puyat, Makati City

Tel. #: 8921782

President: Dr. Herminco B. Coloma, Jr.

Program Offerings:

Master in Business Administration

BS Commerce

BS Business Administration

BS Accountancy

Pasig Catholic Colleges

Malinao, Pasig City

Tel. #: 6411786

Director: Msgr. Emmanuel V. Sunga

Program Offerings:

BS Accountancy

BS Business Administration

Perpetual Help College, Manila

1240 Conception St. Sampaloc, Manila

Tel. #: 7318199

President: Dr. Jose Tamayo

Program Offerings:

BS Accountancy

BS Business Administration

Perpetual Help College of Rizal

Ocampo Ave. Pamplona, Las Pinas, MM

President: Mr. Antonio Tamayo

Program Offerings:

Doctor of Business Administration

Master of Business Administration

BS Accountancy

BS Commerce

Philippine Christian University

1648 Taft Ave. cor. Pedro Gil Ermita, Manila

Tel. #: 5232372

President: Dr. Carlito S. Puno

Program Offerings:

Master in Management
Master in Business Administration
BS Business Administration
BS Accountancy
BS Commerce

Philippine College of Technological Services

Maysan Rd., Valenzuela, MM

Tel. #: 2920481

President: Mrs. Agnes O. Luciano

Program Offerings:

BS Accountancy
BS Business Administration

Philippine School of Business Administration

827 R. Papa St. Sampaloc, Manila

Tel. #: 7414606

President: Mr. Jose Peralta

Program Offerings:

Doctor of Business Administration
Master in Business Administration
BS Accountancy
BS Business Administration

Philippine Women's University

Taft Ave. Malate, Manila

Tel. #: 5268421

President: Dr. Jose Conrado Benitez

Program Offerings:

Doctor of Business Administration
Master in Business Administration
BS Business Administration
Assoc. in Commercial Science

Philippine Women's University, QC

Epifanio De Los Santos, QC

Tel. #: 9206317

Chancellor: Dr. Sylvia P. Montes

Program Offerings:

Master in Business Administration
BS Accountancy
BS Business Administration

Polytechnic University of the Philippines

Taguig, MM
Tel. #: 8231771

Program Offerings:

Bachelor in Business Management
BS Accountancy

Polytechnic University of the Philippines

Anonas St. Sta. Mesa, Manila
Tel. #: 7161143
President: Dr. Zenaida A. Olanon

Program Offerings:

Doctor of Business Administration
MA/MS Economics
Master in Business Administration
MS Accountancy
BA Economics
Bachelor of Business Administration
Bachelor of Entrepreneurial Management
BS Accountancy
BS Banking and Finance
Assoc. in Business Administration/ Management

Quezon Memorial College

E. Rodriguez Blvd. cor. T. Morato, QC
Tel. #: 701238
President: Ms. Rector C. Yabes

Program Offerings:

BS Commerce

Republican College

42-18th Ave. Murphy, QC
Tel. #: 9121286
President: Prof. Horosi A. Aguilong

Program Offerings:

BS Commerce

Rizal Technological College

Boni Ave., Mandaluyong City

Tel. #:5336041

President: Dr. Jose Macaballug

Program Offerings:

Master in Business Administration

BS Business Administration

Roosevelt College System

Lamuan Marikina, MM

Tel. #: 9420949

Directress: Ms. Lolita D. Bautista

Program Offerings:

BS Accountancy

BS Commerce

St. Benedict's College

Alabang Hills, Alabang, Muntinlupa City

Tel #: 8425508

Rector: Fr. Tarcisio MA. H. Narciso, OSB

Program Offerings:

BS Business Management

St. Francis of Assisi College

Admiral Village Talon Las Pinas, Manila

Tel. #: 8058014

President: Dr. Oscar O. Bautista

Program Offerings:

BS Business Administration

St. Joseph's College of Quezon City

295 E. Rodriguez Blvd, QC

Tel. #: 7230221

President: Sr. Mercedes E. Salud

Program Offerings:

BS Accountancy

BS Commerce

St. Paul College of Manila

Pedro Gil, Malate, Manila

Tel. #: 5245687

President: Sr. Natividad de Jesus Feraren, SPC

Program Offerings:

BS Accountancy

BS Commerce

St. Paul College of Quezon City

Gilmore Ave. cor. Aurora Blvd., QC

Tel. #: 7267986

President: Sr. Lilia Therese Tolentino

Program Offerings:

BS Accountancy

BS Commerce

St. Rita College of Paranaque

Dr. A. Santos Ave. Sucat, Pque, MM

Directress: Sr. Zosima Tambanillo, AR

Program Offerings:

BS Accountancy

BS Commerce

Saint Scholastica's College

2560 Leon Guinto St., Malate, Manila

Tel. #: 5247686

President: Sr. Mary John Mananzan

Program Offerings:

BS Accountancy

BS Commerce

San Beda College

638 Mendiola St. San Miguel, Manila

Tel. #: 7410021-25

Rector: Rev. Bernardo MA. Perez, OSB

Program Offerings:

BS Accountancy

BS Commerce

San Sebastian College Recoletos

CM Recto Ave., Quiapo, Manila

Tel. #: 7348931

President: Fr. Dionisio Cachero, OAR

Program Offerings:

Master in Business Administration

BS Accountancy

BS Banking and Finance

BS Commerce

Sta. Isabel College

210 Taft Ave., Manila

Tel. #: 575791-96

Directress: Sr. Ma. Myrna C. BAS, DC

Program Offerings:

BS Accountancy

BS Commerce

SIENNA College

Del Monte Ave., QC

Tel. #: 7123668

President: Sr. Teresa Examen, OP

Program Offerings:

BS Business Administration

Southeastern College

College Rd., Pasay City

Tel. #: 8318484

President: Mr. Oscar H. Manuel

Program Offerings:

BS Business Administration

St. Dominic Savio College

Ciudad Real Subd., Novaliches, QC

Tel. #: 4336840

President: Dr. Nestor V. Dela Cruz

Program Offerings:

BS Accountancy

BS Commerce

Technological Institute of the Philippines, Manila

363 P. Casal St. Quiapo, Manila

Tel. #: 7339127

President: Dr. Teresita U. Quirino

Program Offerings:

BS Accountancy
BS Commerce

Technological Institute of the Philippines, QC

20th Ave. Cubao, QC

Tel. #: 9110140

President: Dr. Teresita U. Quirino

Program Offerings:

BS Accountancy
BS Commerce

TRACE Computer College

Guadalupe Commercial Complex, Makati City

Tel. #: 8188644

President: Mr. Efraim C. Genuino

Program Offerings:

BS Accountancy

Trinity College of Quezon City

275 E. Rd. Sr. Blvd., QC

Tel. #: 7244644

President: Dr. Rafael B. Rodriguez

Program Offerings:

Master in Management
BS in Accountancy
BS Business Administration
Assoc. in Business Administration

University of ASIA and the Pacific

Pearl Drive, Ortigas Center, Pasig

Tel. #: 6342807

Dr. Jesus P. Estanislao

Program Offerings:

MA in applied Business Economics
MA in Business Economics
MS in Industrial Economics

University of Manila

546 M. V. De Los Santos St. Sampaloc, Manila

President: Dr. Virgilio D. De Los Santos

Program Offerings:

Master in Business Administration
BS Accountancy
BS Business Administration

University of Sto. Tomas

Espana St., Sampaloc, Manila
Tel. #: 7313181
Rector: Rev. Fr. Rolando V. De la Rosa

Program Offerings:

Master in Business Administration
Master Commerce
BS Accountancy
BS Commerce

University of the East

2219 CM Recto Ave., Manila
Tel. #: 7419501
President: Panfilo E. Domingo

Program Offerings:

AB Economics
AB Legal Management
BS Accounting
BS Business Administration

University of the East, Kalookan

Samson Rd., Kalookan City
Tel. #: 3612796
President: Panfilo E. Domingo

Program Offerings:

BS Accountancy
BS Business Administration

University of the Philippines, Diliman

Diliman, Quezon City
Tel. #: 9274561
President: Panfilo E. Domingo

Program Offerings:

PHD Business Administration
Master in Business Administration
BA/BS Economics

BS Business Administration
BS in Business Administration and Accountancy

Appendix 4.2

**Professional Regulation Commission
Board of Accountancy
Top Ranking Schools in the CPA Licensure Examination
For the Five-Year Period from 1996-2000**

Average of 100 or more examinees:

School	No. of Examinees	No. Passed	Per Cent Passed
University of Sto. Tomas	2,396	909	38%
Saint Louis University	1,063	349	33%
Polytechnic University of the Philippines	4,197	817	19%

Average of 51 to 99 examinees:

School	No. of Examinees	No. Passed	Per Cent Passed
De La Salle University-Manila	786	547	70%
University of the Philippines in the Visayas	566	214	38%
Pamantasan ng Lungsod ng Maynila	882	271	31%

Average of 26 to 50 examinees:

School	No. of Examinees	No. Passed	Per Cent Passed
University of the Philippines- Diliman	392	374	95%
University of Saint La Salle	269	149	55%
San Beda College	481	234	49%

Average of 10 to 25 examinees:

School	No. of Examinees	No. Passed	Per Cent Passed
Silliman University	156	129	83%
University of the Philippines- Tacloban City	145	95	66%
Xavier University	214	121	57%

Appendix 4.3
PACSB Survey on Schools Offering Accountancy/ Finance Programs

BACHELOR OF SCIENCE IN BUSINESS ADMINISTRATION
MAJOR IN FINANCE-BANKING FINANCIAL MANAGEMENT ACCOUNTANCY

				BSBA A	BSBA A	Finance and Bankin g	Fin'l Mgmt .	Fin'l Mgmt .
			CHED Minimu m Units	School #1	School #2	School #3	Scho ol #4	Schoo l #5

General Education

		SUBJECTS	UNITS					
English	Eng. 0	Integrated Study Skills for Freshmen				3		
	Eng. 1	Communication & Study Skills Across Discipline		3	3	3	3	3
	Eng. 2	College Reading and Writing		3	3	3		3
	Eng. 3	Technical and Research Report Writing and Business Correspondence			3	3		3
	Eng. 4	Speech & Oral Communication / Argumentation & Debate		3	6	3	3	
	Eng. 5	English Elective / Business English (w/ Technical Writing)		3		3	3	3
		Sub-Totals	6	12	15	18	9	12
Filipino	Fil.1	Sining ng Komunikasyon / Pakikipagtalastasan			3	3	3	3

	Fil. 2	Pagbasa at Pagsulat sa Iba't-ibang Disiplina			3	3	3	3
	Fil. 3	Kasanayan sa Malikhaing Pagpapahayag				3		
		Sub-Totals	6		6	9	6	6
Philosophy & Humanities	Hum. 1	Art Appreciation / Art, Man & Society / and Music Appreciation / Humanities		3	3	3		3
	Hum. 2	Fundamentals of Logic / Ethics (w/ Values Education) / Philippine Business Environment w/ Business Ethics				3	3	3
	Hum. 3	Contemporary Philosophy		3				3
	Hum. 4	Formal Logic and Critical Thinking					3	
Literature	Lit. 1	Philippine Literature / Literature, Man & Society			3	3	3	3
	Lit. 2	Survey of and/or World Literature				3	3	3
		Sub-Totals	6	6	6	12	12	15

		Subjects	CHED Minimum Units	School # 1	School # 2	School # 3	School # 4	School # 5
Social Science	PSS 1	General / Business Psychology / Human Behavior in Organizations		3	3	3	3	3

	PSS 2	Society and Culture / Sociology				3	3	3
	PSS 3	Politics and Governance (w/ Philippine Constitution) / Philippine Government			3	3	3	3
	PSS 4	Philippine History and Public Service / Heyograpiya At Kasaysayan ng Pilipinas		3	3	3	3	3
	PSS 5	Behavioral Science Applied to Business and Industry / Organization Behavior		3	3	3		
	PSS 6	Women's Studies						3
	PSS 7	Asia and the World		3				
		Sub-totals	12	12	12	15	12	15
Others	Rizal	Life and Works of Rizal		3	3	3	3	3
		Sub-Totals	3	3	3	3	3	3
Science	Sci. 1	The Biological Sciences / Human Physiology		3	3	3		3
	Sci. 2	The Physical Sciences / Ecology / Chemical Science		3	3	3		3
	Sci. 3	Science, Technology and Society		3				
	Sci. 4	Planetry Physics					3	
	Sci. 5	Environmental Physics					3	
		Sub-Totals	6	9	6	6	6	6
Math	Math 0	Preparatory Mathematics				(3)		
	Math 1	College Algebra or College Algebra & Trigonometry		5	3	3	6	3
	Math 2	Mathematics of Investment			3	3		
	Math 3	Mathematical Analysis in Business / Calculus Applied to Business		3	3	3	3	

		Sub-Totals	6	8	9	9 + (3)	9	3
Information Technology	IT 1	Introduction to information / and Computer Applications		3	In Acctg.	3	3	3
		Sub-Totals	3	3		3	3	3
		Total for General Education	51	56	57	75+(3)	60	63

Business Professional Courses

		Subjects	CHED Minimum Units	School #1	School #2	School #3	School #4	School #5
Economics	Eco. 1	Principles of/Intro to Economics (w/ Agrarian Reform & Taxation)			3	3		6
	Eco. 2	Introduction to Microeconomics/Macroeconomics w/ Price Theory and Policy / Principles of Economic 2		3		3	3	3
	Eco. 3	Cooperative, Agrarian Reform & Social Dev't. / Social, Economic Theory and Policy / Contemporary Nat'l. Dev't.		3	3		3	
	Eco. 4	Basic Macroeconomics		3	3		3	
	Eco. 5	Managerial Economics					3	

		Sub-Totals	3	9	9	6	12	9
Statistics	Stat. 1	Elementary/ Business/ Statistics		3	3	3	3	3
	Stat. 2	Commerce Statistics 2					3	
		Sub-Totals	3	3	3	3	6	3
Operations Research	Operations Research 1	Quantitative Techniques in Business / Quantitative Methods I & II	3	6	3	3	3	3
		Sub-Totals	3	6	3	3	3	3
Bus. Software Applications	Bus. Software Applications 1	Computer Applications in Business	3	3	In Acctg .	3	3	6
		Sub-Totals	3	3		3	3	6
Accounting	Acctg. 1 & 2	Fundamentals of Accounting I (Sole Proprietorship) Principles of Financial Accounting		6	6	6	6	6
	Acctg. 3	Fund. Of Accounting II (Partnership & Corporation)		6	6	3	3	3
	Acctg. 4	Management Uses of Accounting / Introduction to Management Accounting				3	3	3
	Acctg. 5	Accounting of Financial Institutions					3	
		Sub-Totals	12	12	12	12	15	12
Business Management	BM 1	Introduction to Business Management / Business Organization and Principles of Management	3	3	3	3	3	3
	BM 2	Personnel Administration				3		
	BM 3	Development of Enterprises				3		
	BM 4	DSS/ Business Policy	3	3	3		3	3
	BM 5	Production / Operations of Management		3	3			

Finance Major	Fin. Maj. 1	Financial Management I / Management of Financial Institution I				3		3
	Fin. Maj. 2	Financial Management II / Management of Financial Institution 2				3		3
	Fin. Maj. 3	Insurance / Management or Trust Operations				3	3	
	Fin. Maj. 4	Comm'l. Banking Operation and Mgmt. / Bank Mgmt				3	3	
	Fin. Maj. 5	Investment Principles & Portfolio Management / Investment Management				3	3	3
	Fin. Maj. 6	Credit and Collection				3		
	Fin. Maj. 7	Central Banking & Monetary Policies				3		
	Fin. Maj. 8	Public Finance						
	Fin. Maj. 9	Controllership						3
	Fin. Maj. 10	Financial Institution: Operations Management				3		
	Fin. Maj. 11	Financial Intermediation					3	

		Subjects	CHED Minimum Units	School #1	School #2	School #3	School #4	School #5
	Fin. Maj. 12	Treasury Management					3	
	Fin. Maj. 13	Financial Strategy					3	
	Fin. Maj. 14	Electronic Banking Seminar					3	
	Fin. Maj.	International Finance, Trade Payments &		3		3	3	3

	15	Dev't.						
	Fin. Maj. 16	Corporation Audit & Risk Management						3
	Fin. Maj. 17	Corp. Financial Planning and Strategy I						3
	Fin. Maj. 18	Corp. Financial Planning and Strategy II						3
	Fin. Maj. 19	Quantitative Methods in Finance					3	
	Fin. Maj. 20	Methods of Research				3	3	3
	Fin. Maj. 21	Practicum / Office Internship				3		
	Fin. Maj. 22	Practicum / Research Colloquium						
		Sub-Totals (Major)	21	6		39	33	6
Elective	El. 1	Seminar and Thesis Writing					6	3
		Sub-Totals	9				6	3
		Basic Typing I / Word Processing				(3)	3	
		Sub-Totals				(3)	3	

Appendix 4.4
MFI Course Description

Bachelor of Science in Commerce major in Management of Financial Institutions

Course Requirements:	192.5
General Education Courses	
Computer Fundamentals	6.0
English	9.0
Filipino	6.0
Humanities	
Arts	3.0
Philosophy	3.0
Literature	6.0
Mathematics	18.0
Natural Science	6.0
Philippine History	3.0
Physical Education	8.0
Religious Studies	12.0
Rizal	3.0
Social Science	
Anthropology	0.0
Economics	12.0
History of Civilization	
Psychology	3.0
Politics and Governance	3.0
Sociology	3.0
:	
:	
:	
Non-Academic Courses	
Orient	1.5
Reserve Officers Training Course	6.0
Basic/Core Courses	42.0
FINAMA1, 2	6.0
FINQUAM	3.0
COMLAW 1, 2	6.0
BUCOTAX	3.0
NEGOTAX	3.0
MARKET1	3.0
BUSORGA	3.0
BSUSIPOL	3.0
ACCOM1A, B	6.0
ACCOM2A, B	6.0
Major/Professional Courses	24
FINTERM	3.0
FINBANK	3.0
FININTE	3.0

FINVEST	3.0
FINTREA	3.0
FINACCT	3.0
FINSTRA	3.0
FINARES	3.0
Elective Courses (Any three)	9.0
FINACMA	3.0
FINTRUS	3.0
FINESBA	3.0
FINSURE	3.0
FINSPEC	3.0
FINCOBO	3.0
FINCAPM	3.0
Practicum (FINAOJT)	3.0
FINACUM	3.0

BASIC/CORE COURSES (FINANCE)

FINANCIAL MANAGEMENT 1

FINAMA1

3

This is a basic course in Financial Management concentrating on short-term financial decisions. It provides students with the basic principles, techniques and analytical tools needed in conducting financial analysis, in evaluating and forecasting a business firm's financial performance and managing working capital, with focus on cash, marketable securities, accounts receivable, inventories and short term financing sources.

Business Organization (BUSORGA), Computer 1 & 2 (COMP1FI & COMP2FI), ECONOMICS, BASIC ACCOUNTING (12 UNITS)

FINANCIAL MANAGEMENT 2

FINAMA2

3

This course is a continuation of Financial Management 1. It covers the more complex aspects of financial decisions such as medium to long term investments, capital budgeting under uncertainty, debt versus equity financing, cost of capital, dividend decisions, valuation, lease versus purchase, and stock options/warrants. These concepts are applied to financial and non-financial enterprises.

Financial Management 1 (FINAMA1)

QUANTITATIVE METHODS IN FINANCE

FINQUAM

3

This is the feeder course to Financial Research. It is designed to equip the student with the confidence and the competency to create models of operating reality. As such, the command of Fisher statistics and Bayesian theory are credentials that the student is expected to bring in and to use in the applications that he/she is expected to be able to handle.

(COMSTA1), (COMSTA2), Financial Management 1 (FINAMA1), Financial Management 2 (FINAMA2), Written Comprehensive Examination (WCE)

MAJOR/PROFESSIONAL COURSES

FINANCIAL MARKETS AND NONBANK FINANCIAL INSTITUTIONS

FINTERM

3

This is a study of financial markets and non-bank financial institutions, their structures and their functions. The following financial markets are given particular attention: the debt market, where interest rates are determined; the stock market, which greatly affects people's wealth and firms' investment decision; and the foreign exchange market, where fluctuations in the foreign exchange rate have major consequences for the Philippine economy.

Financial Management 1 (FINAMA1), Financial Management 2 (FINAMA2)

BANK MANAGEMENT

FINBANK

3

Finbank is a major course that firmly equips the students with the necessary concepts, principles, and techniques used in sourcing and allocating bank funds that would maximize profits while maintaining liquidity consistent with acceptable risk levels. It is the end view of bank management to maximize shareholders' wealth, as measured by the market value of the bank's common stock. The course logically begins with familiarizing the students with the financial environment in which bank managers must operate in, that is, the structure, functions and operations of financial intermediaries.

Financial Management 1 (FINAMA1), Financial Management 2 (FINAMA2)

INTERNATIONAL FINANCE

FININTE

3

Being a major course, International Finance will provide students with an in-depth understanding of trade finance and the international capital/financial markets. The course enhances the students' knowledge of funding options for trade and their knowledge of the basic derivative products used for hedging foreign exchange and interest rate risk.

Financial Management 1 (FINAMA1), Financial Management 2 (FINAMA2)

INVESTMENT ANALYSIS AND PORTFOLIO MANAGEMENT

FINVEST

3

Finvest introduces the basic concepts, techniques, and processes to investment analysis and portfolio management. The concentration of the course is the evaluation of the traditional instruments in the Philippines, in particular, and the world, in general.

Financial Management 1 (FINAMA1), Financial Management 2 (FINAMA2),

TREASURY MANAGEMENT

FINTREA

3

The Treasury Management Course is an intensive program on the theoretical concepts and practical applications of Treasury Products of financial intermediaries operating within a deregulated environment. It focuses on two financial markets: currency market and interest rate market. The course includes a simulated trading game on the financial markets to reinforce treasury management concepts.

Financial Management 1 (FINAMA1), Financial Management 2 (FINAMA2), Bank Management (FINBANK), Financial Markets and Nonbank Financial Institutions (FINTERM), International Finance (FININTE)

ACCOUNTING FOR FINANCIAL INSTITUTIONS

FINACCT

3

This is a course in Management of Financial Institutions designed to provide the students with knowledge of the salient features and problems in accounting for financial institutions specifically banks, finance companies, investment houses, stockbrokerage firms and insurance companies. Focus in the analysis of financial statements.

Bank Management (FINBANK), Financial Markets and Nonbank Financial Institutions (FINTERM), International Finance (FININTE)

Financial Management 1 (FINAMA1), Financial Management 2 (FINAMA2)

METHODS OF FINANCIAL RESEARCH

(FINARES)

3

Finares is a three-unit course designed to enable students to come up with a research proposal that will eventually become the student's undergraduate thesis.

Passed the Written Comprehensive Examination (WCE), Bank Management (FINBANK), Financial Markets and Nonbank Financial Institutions (FINTERM), Investment Analysis and Portfolio Management (FINVEST), Quantitative Methods in Finance (FINQUAM)

FINANCIAL STRATEGY

FINSTRA

3

This course is an integration of the major finance subjects which will provide the students with a deeper understanding of the financial environment in which the future financial managers must operate. It will focus on the key principles and analytical techniques used in making sound and logical financial management decisions and strategies. Emphasis of the course is placed upon finance as a function of management, the problems encountered by financial managers, their alternative methods of solution and the rationale of their financial decisions.

Bank Management (FINBANK), Financial Markets and Nonbank Financial Institutions (FINTERM), Investment Analysis and Portfolio Management (FINVEST), Quantitative Methods in Finance (FINQUAM), Treasury Management (FINTREA), International Finance (FININTE)

ELECTIVES

ACCOUNT MANAGEMENT IN BANKING/CORPORATE BANKING

FINACMA

3

Account Management in Banking or Corporate Banking deals with credit management of top-tier corporate accounts. The concentration of the course is the traditional commercial credit operations with focus on trade related transactions, corporate finance, loan syndication, and project finance. In addition, the course will also introduce cash management products to fully service the financial requirements of corporate clients.

BANK MANAGEMENT (FINBANK)

TRUST OPERATIONS IN THE PHILIPPINES

(FINTRUS)

3

The course is a comprehensive study of trust and fund management operations, a specialized area of banking of a fiduciary nature, whereby a person, natural or juridical, delivers a property or properties to a trustee, who administers and manages the property/ies for the benefit of designated person/s. The services to be studied in this course will range from the very simple safekeeping to the more complicated management of estates, retirement funds, pre-need trusts, foundations and pooled investment funds, and will look at the techniques of portfolio management for these types of accounts.

BANK MANAGEMENT (FINBANK)

CONSUMER BANKING OPERATIONS

FINCOBO

3

This course intends to provide the students with information regarding retail side of banking: the financial packages being offered; marketing and promotion efforts; competition arising from globalization; liberalization; regulation; technology; branching; pricing and quality of service. As it initially touches on the history of banking in the country, and the performance and role of the Bangko Sentral ng Pilipinas at a macro level, it would adopt a micro approach in the nature and organizational/structural needs of a “consumer bank” and its various activities, products and services. In the end, the students are expected to come up with a working knowledge in the rationale, and the success factors of retail banking in the overall operations of a bank.

BANK MANAGEMENT (FINBANK)

INSURANCE MANAGEMENT

FINSURE

3

Finsure is a major finance course that covers the basic concepts of general and property insurance and life insurance organization and management, funds investments, reinsurances, and insurance legislation. Integrity underwriting and fairness in claims administration are addressed together with technical and managerial competence and introduction to actuarial calculations and valuations. The course is being studied: as a risk management function in the interests of policyholders, insurers, and the society in general being the ultimate beneficiary; and as a financial intermediary contributing to national development through capital formation and allocation.

FINANCIAL MARKETS AND NONBANK FINANCIAL INSTITUTIONS (FINTERM)

INVESTMENT BANKING

FINESBA

3

Finesba provides with an in-depth understanding of the various investment banking products and services such as but not limited to debt and equity underwriting, mergers and acquisition, securitization, venture capital, mutual funds, loan syndication project finance, financial packaging, and financial advisory. The course likewise includes an introduction of modern financial engineering tools such as risk management of derivative products such as swaps, options, forwards, futures, and other balance sheet hedging products. Additionally, a discussion of other special topics such as the Build-Operate Transfer (BOT) schemes and other privatization deals will be covered by the course.

SEMINAR

SPECIAL TOPICS IN FINANCE

FINSPEC

3

This course provides basic knowledge on different areas of financial services. It focuses on new products/services or trends in the finance industry. It updates the students on the latest developments in Finance.

Bank Management (FINBANK), Financial Markets and Nonbank Financial Institutions (FINTERM), Investment Analysis and Portfolio Management (FINVEST), Treasury Management (FINTREA), International Finance (FININTE) Methods of Financial Research (FINARES), Thesis Writing & Defense (FINACUM)

THE CAPITAL MARKET

FINCAPM

3

This course is a study on Philippine financial system. Its focus is on the capital market. It includes modules on the stock market. It explores the bond market and other instruments for investment and financing decisions. Risk management will also be discussed through options, futures and swaps.

Investment Analysis and Portfolio Management (FINVEST)

PRACTICUM

ON THE JOB TRAINING

FINAOJT

3

This is a course that provides experience to Finance students in reporting, for a minimum of 150 hours, to a company where they are expected to go through activities related to major courses taken.

Bank Management (FINBANK), Financial Markets and Nonbank Financial Institutions (FINTERM), Investment Analysis and Portfolio Management (FINVEST), Treasury Management (FINTREA), International Finance (FININTE) Methods of Financial Research (FINARES), Thesis Writing & Defense (FINACUM) **THESIS**

THESIS WRITING & DEFENSE

FINACUM

3

Finacum is a three-unit course wherein under the guidance of a mentor, the student groups will complete the thesis, a proposal of which they've prepared and defended in Finares.

COURSE OBJECTIVES

FINANCIAL MANAGEMENT 1

FINAMA1

1. Know the different tools for assessing the firm's financial performance.
2. Interpret, analyze and evaluate the firm's performance in terms of its liquidity, profitability, stability position and overall financial performance.
3. Know the alternative strategies for managing the firm's current assets & short term liabilities.
4. Propose alternatives to improve the firm's financial position, focusing on application of knowledge acquired in the management of cash, marketable securities, accounts receivables, inventories and short term financing sources.
5. Understand the financial planning process and prepare a cash budget, a projected income statement and a projected balance sheet.
6. Relate new trends to topics covered in the course.
7. Be conscious of his social responsibility in making financial decisions.

FINANCIAL MANAGEMENT 2

FINAMA2

1. Understand the role of time value of money and appreciate its applications;
2. Describe the key inputs-cash flows (returns), timing and required rate of return (risk) and basic model used in the valuation process;
3. Understand the meaning and fundamentals of risk, return and risk preferences;
4. Appraise capital investment projects using the non discounted and discounted cash flow techniques;

5. Identify an optimal capital structure in relation to the objective of maximizing the value of the firm;
6. Describe theoretical and practical issues in dividend policy;
7. Evaluate and distinguish the various sources of long-term financing
8. Relate current developments in the Philippine financial environment to the subject matter

QUANTITATIVE METHODS IN FINANCE

FINQUAM

1. To know the quantitative methods used in finance.
2. To apply quantitative methods in the analysis of financial markets data.
3. To appreciate the use of methods in the analysis of financial markets data
4. To increase shareholder wealth, with due respect to the rights of others.

FINANCIAL MARKETS AND NONBANK FINANCIAL INSTITUTIONS

FINTERM

1. To develop a unifying analytic framework that will organize students' thinking so that they will be better able to interact with or operate in financial markets and non-bank financial institutions in the future. The unifying analytic framework is also intended to provide students with the tools to understand trends in the financial marketplace and in key economic variables such as interest rates and foreign exchange rates. At the end of the course, students are expected to have developed an analytic way of thinking about how financial markets and non-bank financial institutions function/operate by using the unifying analytic framework that the course provides.
2. To familiarize students with the major types of non-bank financial institutions in the Philippines and their operations.
3. To introduce students the real-world problems that managers of non-bank financial institutions have to face and the various tools they can use to solve such problems.

BANK MANAGEMENT

FINBANK

1. To understand, the role of banks as financial intermediaries and their influence in the Philippine financial system, their organization, operations and functions as financial institutions.
2. To know how Central Bank and monetary policy changes impact on the bank's funding risks and earnings as basis for decision-making;
3. To understand the major components of bank financial statements;
4. To possess the necessary financial skills for thoroughly evaluating a bank's overall performance
5. To be aware of the major risks the bank managers normally face and how to effectively manage these banking risks;
6. To know the nature of bank sources of funds, both deposits and non-deposits, and the principles governing their management for ensuring bank liquidity, stability and profitability;

7. To know how banks, based on fundamental principles, manage the allocation of bank funds among primary and secondary reserves, loans and investments to produce sufficient liquidity and maximize earnings
8. To learn the structure of credit risk in banks, and the fundamentals of measuring and managing credit transactions risk;
9. To know the international banking services and activities and the problems and challenges facing international banking operations; and
10. To learn the asset-liability management techniques and strategies of banks to maximize net interest margins.

INVESTMENT ANALYSIS AND PORTFOLIO MANAGEMENT FINVEST

1. The course aims to develop globally competitive investment managers with a strong sense of justice, dedication, integrity, and community service.
2. To develop the awareness of potential investment managers of their role in the development of the Philippine Capital Market and in the country's economic recovery.
3. To understand the basic concepts of investment management;
4. To know the various investment instruments available in the Philippines and the world;
5. To possess the skills and techniques in the evaluation of the various investment instruments so as to achieve an optimum level of profitability at an acceptable degree of risk;
6. To develop and strengthen the skills in the administration and management of an investment portfolio;
7. To develop the skills in recognizing warning signs of a potential problems which might arise due to weaknesses in market and economic indicators;
8. To appreciate the value of the decision making process involved in investment analysis and portfolio management;
9. To see how the values of ethical integrity and work discipline can be applied in performing the function of investment portfolio management.

INTERNATIONAL FINANCE FININTE

1. Understand the various risks associated with international trade and the various tools to manage said risks. Risks associated with the use of hedging products will also be studied and the means to mitigate such risks.
2. Provide students with an understanding of international and correspondent banking
3. Describe and understand the international financial environment such as the foreign exchange market, the international capital market and the eurocurrency market.
4. Relate current developments in the international financial environment to a subject matter.

TREASURY MANAGEMENT

FINTREA

1. Provide an understanding of market conventions and dealing room terminologies, Treasury concepts and product applications, break-even pricing and rate derivations, and operational processes in both currency and interest rate markets.
2. Explain the inextricable linkage between the currency market and the interest rate market and how the two co-affect each other.
3. Identify, evaluate, and manage market risks as well as opportunities proactively in a deregulated financial environment; and to formulate and implement risk management strategies in any market scenarios.
4. Analyze information and determine factors influencing currency and interest rate changes and trends.
5. Acquire the basic concepts to learn and apply other Treasury products such as derivatives.

METHODS OF FINANCIAL RESEARCH

(FINARES)

1. To acquire the necessary skills in developing a viable research proposal relevant to finance and its related fields.
2. To instill the 5C's of CBE: (A) Critical Thinking – to able to develop an excellent research proposal based on the students' understanding of important financial theories and concepts, (B) Communication Skills – to convey in clear and concise terms the groups research proposal in both written and oral communication, (C) Computer literacy – to determine the relevant internet/software applications needed to present and communicate the research proposal, (D) Commercial ethics – to select research topics that will promote shareholder value with respect to the rights of others, (E) Community service – to personify the La Sallian values of Religio, Mores, Cultura and to be conscious of the students' social responsibility in developing research proposals.

FINANCIAL STRATEGY

FINSTRA

1. To provide a deeper understanding of the key principles and analytical techniques used in making sound and logical financial management decisions and from there develop appropriate strategies.
2. To have a better appreciation and understanding of the important financial concepts and techniques used in the financial/business community

ACCOUNT MANAGEMENT IN BANKING/CORPORATE BANKING

FINACMA

1. To instill the value of prudence as a prospective lending officer in the investment of bank funds.
2. To be aware of other financial products to fully service the bank's corporate clients.

3. To enhance a sense of social responsibility by extending banking facilities to government or non-governmental organizations for the country's economic recovery and development.

TRUST OPERATIONS IN THE PHILIPPINES (FINTRUS)

1. Understand the major functional areas in trust business.
2. Be able to analyze and develop problem-solving abilities involving various aspects of trust operations; and
3. Appreciate the role of trusteeship services in planning out an individual's estate and in the financial system

CONSUMER BANKING OPERATIONS FINCOBO

1. To introduce the concept of consumer banking as a market-oriented segment of the banking business.
2. To gain familiarization and appreciation of the various activities, products and services of consumer retail banking.
3. To develop an understanding of and interest in current developments in the real banking world where risks, service and profitability are to be taken from a banker's viewpoint.
4. To assess the social responsibility implications of marketing a bank's products and services.
5. To inculcate values of social responsibility and honesty in all bank dealings working towards the improvement of services for the upliftment of consumers' lives.

INSURANCE MANAGEMENT FINSURE

1. To Acquire knowledge on Insurance marketing/production, underwriting, risk management, reinsurance, insurable risks, acceptance and rating, claims administration, funds investments, insurance companies as financial intermediaries, and the operations and management of insurance companies.
2. Awareness and understanding of current business developments, policies, and strategies in the financial markets as influenced by the risk carrying and investment functions of insurance companies.
3. To be aware of the major risks that insurance managers encounter and the effective ways of managing such risks.
4. To understand the salient features of the insurance companies financial statements and the basic differences between life and non-life insurance companies on the basis of their assets and liabilities; and acquire the necessary skills for evaluating insurance companies overall performing using measures of liquidity, activity, stability and profitability.
5. To know the Insurance Commission Office rules and policies affect the insurance companies investments, reserve funds, margin of solvency, claims administration and premiums ratings.

INVESTMENT BANKING

FINESBA

1. To apply concepts and principles learned on solving finance cases.
2. To integrate financial techniques learned.
3. To integrate the qualities of a true La Sallian into the mold of a progressive and globally competitive investment banker.

THE CAPITAL MARKET

(FINCAPM)

1. To understand the Philippine financial system.
2. To appreciate the role of each financial intermediary.
3. To explore the development of other products and services that would facilitate the movement of funds.

SPECIAL TOPICS IN FINANCE

FINSPEC

1. To update the students in the current developments in the following areas: Banking, Treasury, Stock, Investment, Real Estate and International Finance.
2. To apply the current topics in finance in the Oral Comprehensive Examination.
3. To appreciate the special topics in the finance industry.

ON THE JOB TRAINING

FINAOJT

1. To apply knowledge & skills learned from major subjects in the workplace.
2. To experience the dynamics of working in an actual business.
3. To appreciate the value of work.

FINACUM

To successfully write and defend a thesis about finance and its related fields.

Appendix 4.5

Master of Science in Finance U.P. College of Business Administration

-Course Requirements

The MS Finance program is a 30-unit course of study that is designed to be completed in one year (three trimesters) on a full time basis.

-Core Courses

Students are required to take 9 core courses. These courses aim to provide the student with a strong foundation and in-depth coverage of key concept, techniques and topics that are crucial to a deeper understanding of the field of finance.

The core courses are the following:

- Macroeconomics and the Financial System
- Financial Analysis and Reporting
- Quantitative Methods
- Financial Institution and Markets
- Corporate Finance I
- Corporate Finance II
- Investment Management
- Financial Derivatives
- Industry Competitive Analysis and Strategic Planning

-Elective Courses

The student is also required to take 6 electives (12 units) from a list of 14 courses to expose him/her to subjects of specific interest and relevance to a professional career in finance.

The elective courses are as follows:

- International Finance
- Advance Corporate Finance
- Management of Commercial Banks
- Financial Risks Management
- Financial Research
- Marketing Financial Services
- Business Law, Regulation and Business Ethics
- Special Topics in Finance
- Controllership
- Management Information Systems
- Human Behavior in Organizations

- Monetary Theory
- Public Finance
- International Economics

-The Comprehensive Examination

Each Student shall take the written comprehensive examination after completing all courses in his/her study program. Subject to the rules of maximum residency in the Program, the examination may be retaken only once. The student should pass this test as a prerequisite for being recommended for the degree. The student can be recommended for entitlement to a Certificate of Attendance if he/she fails to pass the comprehensive exam.

Specific guidelines shall govern the comprehensive examination.

-Academic Loading/Fees

The maximum academic load is 5 courses per trimester. Each course in the program has a two unit course credit. The tuition fee is P2,000 per course (at P1,000/unit), plus a miscellaneous fee of about P1,500 per term.

-Suggested Program of Study

October to January Trimester

- Macroeconomics and the Financial System
- Financial Analysis
- Quantitative Methods
- Corporate Finance 1
- Financial Institution and Markets

February to May Trimester

- Corporate Finance II
- Investment Management
- Financial Derivatives
- Elective #1 :Management of Commercial Banks
- Elective #2 :Marketing Financial Services

June to September Trimester

- Industry/Competitive Analysis and Strategic Planning
- Elective #3 :Advanced Corporate Finance
- Elective #4 :International Finance
- Elective #5 :Financial Research
- Elective #6 :Financial Risk Management

-Who Should Apply?

The target students are those performing (or who shall perform) key managerial functions in firms in the financial service sector, or the counterparts in the non-financial services sectors and in government.

-Admission Requirements

An applicant to the Program should:

- Have at least a 4-yr bachelor's degree
- Have a minimum of 2 years experience in work related to financial management, and
- Submit two personal references, the transcript of records for the bachelor's degree, the completed application form, and an acceptable physical medical examination test result.

Applicants will be required to take the UPCBA Graduate Programs Admission Test (GPAT) or the Graduate Management Admission Test (GMAT). An Applicant from a non-English speaking country or whose baccalaureate education did not use English as the instruction medium shall be further required to submit a Test of English as a Foreign Language (TOEFL) score of at least 500.

The GPAT is administered in the morning of the second Sunday of August at the UPCBA Building.

Personal interview of the applicant may be required.

Appendix 4.6

The Financial Management and Analysis Test

PRIMER

- Background

The globalization of financial markets and the rapid pace of innovations in financial engineering are both consequences of and contributing factors in the equally dramatic developments in the worldwide markets for products and services. While having produced profound benefits to businesses and consumers around the globe, these changes have likewise geometrically increased the risks and returns of doing business.

As recent experiences of several firms, including large and well-established ones, have shown, mistakes and errors in judgment, not by owners but by management and employees, can be costly and, at times, even fatal.

The Financial Management and Analysis Test (FMAT) was conceived to address the need to professionalize the practice of finance in the Philippines. It aims primarily to assist firms in determining the entry level knowledge of applicants to finance positions in the basic concepts and foundation of financial management. The FMAT also helps firms in identifying the training and development requirements of finance people already in their employ. The test provides corporates with a standardized and objective basis of assessing present and prospective employees.

The FMAT is a joint undertaking of two leading institutions in the practice and study of financial management in the Philippines- the Financial Executives Institute of the Phil. (FINEX) Research and Development Foundation, Inc. and the Development Center for Finance (DCF) based in College of Business Administration of the University of the Philippines. The project also involves Phil. Ass. Of Collegiate Schools of Business (PACSB) in the overall supervision of and policy formulation for the FMAT as well as in the review of the questions included in the examination.

-Organization

Overall responsibility, supervision, and policy formulation for the FMAT is vested in a three-man FMAT Council which has representatives from the FINEX Foundation, the DCF, and PACSB. The FMAT Council appoints Members of the examination committee and ensures the orderly conduct and integrity of the examination.

The examination committee prepares the FMAT test bank, from which questions for each run of the examination will be taken randomly. The examination committee also determines the

rank of examinees and recommends to the FMAT Council the awarding of the Financial Management and Analysis Certificate (FMA Certificate) to successful examinees.

-FMAT Objectives

- To develop the finance profession by providing a means of screening would-be entrants;
- To obtain reassurance that new-hires or employees who are currently performing finance functions have a good grasp of the technical know-how required in this field.
- To determine the level of knowledge of finance practitioners for possible advancement in their present positions;
- To measure how well versed finance individuals are with the plethora of finance theories, concepts and techniques, and with the products being offered in the money and capital markets; and
- To improve the chances of individuals who would like to have a career in finance or individuals already in the field of getting better job opportunities or getting promoted by passing these examinations, as an addition to their credentials.

-Who would benefit?

Employer firms can assess the level of finance know-how of applicants to or employees holding a finance position. Employer firms can also determine employees who will be qualified for promotion.

To determine the mastery of finance related subjects of teachers and regulators, respectively.

To add to their credentials in preparation for a career in finance.

-FMAT Modules

- Financial and Management Accounting
- Corporate Finance I
- Corporate Finance II

-Module I (Financial Management Accounting)

-Financial Accounting:

Will test examinee's knowledge of basic accounting concepts and methods, and financial statements.

TOPICS

- **The principal Financial Statements and objectives of the firm**
- Basic Principles and Assumptions Underlying Financial Statements
- Balance Sheet GAAP: Methods and Applications

-Management Accounting :

Will assess the examinee's knowledge of methods, tools, and techniques available for managerial planning and control, specifically those relating to: product and service cost accumulation and analysis; budgeting and responsibility accounting; identification of relevant cash flows for pricing, capital investment, and operating decisions; and performance evaluation of business units.

TOPICS

- Fundamentals of cost accounting
- Tools for planning and control
- Cost analysis and Decision making

-Module II (Corporate Finance I)

Will test examinee's knowledge on the following topics: understanding financial statements; financial planning and forecasting; sources of short-termed funds; working capital policy; management of cash, marketable securities, accounts receivable, and inventories.

TOPICS

- Financial Statement Analysis
- Financial Planning and Forecasting
- Working Capital Policy
- Sources of Short-term Funds
- Management of Cash and Marketable Securities
- Management of Account Receivable

-Module III (Corporate Finance II)

-Economics

Will test examinee's understanding of how macroeconomic developments and microeconomic factors affect the working of the financial markets such as the level and behavior of interest rates and monetary conditions.

TOPICS

- Macroeconomic
- Microeconomic

-Corporate Finance 2

Will test examinees in terms of their understanding of basic theories and principles of corporate investment, financing and dividend decisions; understanding and skills in the application of mathematics of discounting and compounding to a range of financial problems; familiarity with, and ability to utilize the key analytic tools and financial measures for diagnosing problem areas and evaluating alternative solutions; and awareness of current market and environmental factors that are relevant to long-term financial management in the Philippines.

-Basic requirements

To be accepted as candidate, the applicant must:

- have a bachelor's degree
- pay the required examination fees; and
- submit a completed application package

-FMA Certificate

The Financial Management and Analysis Certificate will be given jointly by the founding institutions of FMAT – the FINEX Research and Development Foundation, Inc. and the Development Center for Finance.

To receive the FMA Certificate, the candidate must obtain an average grade of at least 75% in all three modules. He or she must not, however, have obtained a grade of less than 70% in any of the modules.

Test results will be published in leading newspapers and the names of successful examinees will be forwarded to the Commission on Higher Education.

-Venue

-For individual request

Venue of the examinations shall be at the College of Business Administration, University of the Philippines, Diliman.

-For Institutional request

Financial Institutions and other business and government organizations may request for FMAT to be administered for their applicants and employees. Venue shall be arranged by the institutions requiring the FMAT for their employees and applicants.

-For registration and further information, call the Program Secretariat at:

c/o Development Center for Finance
Room 215-f, College of Business Administration
University of the Philippines
Diliman, Quezon City

Tel. Nos. 920-8025 (direct line)
928-4571 to 76 local 2156
fax no. 922-8544
dcf@cba.upd.edu.ph

Appendix 4.7
Training Programs in Financial planning, Insurance, Securities Licensing

**The Mike Russ Financial
Training Center**

Insurance Class Information

Insurance Pre -Licensing Class Information

Mike Russ, California's premier exam preparation specialist for over 15 years, offers the most convenient schedule available to meet your pre-licensing needs. Classes are conducted on both **WEEKENDS** and **WEEKDAYS!**

WEEK-LONG CLASSES:

Expedite your completion by attending for 1 week (6 days). Life and Property and Casualty classes are held **EVERY OTHER WEEK.**

WEEKEND CLASSES:

LIFE- Our unique schedule allows you to begin class on **ANY WEEKEND** and complete the course by attending any 3 consecutive weekends. (Or at your own pace)

FLEXIBILITY:

With our flexible schedules you may complete classes by **'MIXING and MATCHING'** between the weekend and week-long classes, in order to complete all the individual segments at your convenience.

Each 52-hour course consists of 9 segments of products (Life or Fire & Casualty) and 3 segments of code and ethics. Week-long and Weekend classes are listed on the location schedules. However, you may mix the classes at your convenience to complete all the individual segments. You may complete classes in any order.

Insurance: Continuing Education

What do I need?

If you were licensed before January 1, 1992, the California Insurance Code Sec. 1749.3(a) requires that each licensee complete 30 hours of Continuing Education before each two-year renewal period has expired.

If you were licensed after January 1, 1992, each licensee is required to complete 25 hours of Continuing Education each year during the first 4 12-month periods from your license issuance date. Thereafter, you will be required to complete 30 hours of continuing education before each 2-year renewal period has expired.

What do the courses consist of?

Each course is a correspondence course consisting of a text and open book multiple choice quiz. Simply complete the quiz and return it for grading. A minimum of 70% is required for passing. You will then be sent a certificate of completion for your records and we will notify the Department of Insurance that you have completed your Continuing Education course(s).

Why Mike Russ Financial Training Centers?

- All books are approved by the California Department of Insurance
- No additional charges for grading
- Toll free 800 number service line
- No recycling of books – Yours to keep.
- No additional charge for credit card orders.

Insurance: Continuing Education LIVE

For agents and brokers who have not been through the code and ethics portion of the 52hr pre-licensing course, with-in the last two years. May sit through the code and ethics a second time and receive 12 hours towards the renewal of their license.

**MIKE RUSS
Financial Training Centers, Inc.**

Mike Russ Financial Training Centers, Inc. began teaching in insurance 19 years ago in San Diego. Today we are a nationwide organization, offering continuing education and licensing preparation in insurance, securities, real estate and other professional fields.

Call Today: (800) 724-5661

The Moody's Training And Consultancy

Training, Consultancy and Services

Moody's Training and Consultancy offers a variety of training programs, methods, and resources to designing comprehensive solutions and optimizing their training investment. These include in-house and public offerings in major cities worldwide, as well as credit skills diagnostics, distance learning, award-winning multimedia training system.

Clients who seek assistance in organizational planning benefit from the application of Moody's surveys that identify the individual, social, and organizational factors critical to a profitable business.

Credit-granting institutions worldwide use these tools to discover the strengths that contribute to the effectiveness and identify practical steps to improve performance.

Seminar Locations

Moody's Risk Management Services' courses can be conducted in our office facilities or at your organization's facilities. We also host public seminars several times per year in major cities around the world.

Materials

All instructor-led courses include handouts, exercise materials, and comprehensive workbooks that can be used as reference materials after the course.

Instructors

Instructors are experienced technical support personnel or professionals with prior credit analysis and lending experience. They make the class easy-to-understand, informative, enjoyable and consistently receive high evaluation ratings. Visiting speakers are occasionally invited where we feel it adds value to the instructional element of the program.

Customization

We can easily customize course agendas for your organization. Train the Trainer formats are also available.

The Professional Training Services, Inc.

Insurance and Securities Pre-licensing and Continuing Education, CFP, CPA, CLU, ChFC CE and CFP Certification Exam Review

Professional Training Services, Inc. was formed in 1988 as a service oriented company to help persons entering the financial services industry. As a certified Provider for the State of Illinois, PTS provides such services as insurance pre-licensing and continuing education programs.

PTS also provides NASD securities licensing preparation, NASD continuing education courses, continuing education courses for Certified Financial Planners as well as the CFP Board required 2 hour Ethics Course.

Of notable interest are our outstanding licensing exam pass rates and excellent course workbooks. We are the home of the "Get it for \$35", 15 CE hour self-study courses. All of our course prices are competitive with the industry.

As a note for our Corporate customers – call us and find out about our special Corporate Pricing Structure for substantial users.

With the lowest prices in the industry with proven results, great course selection, friendly office staff, why not try us?

Broker/Dealer Compliance Live Presentation

Exciting and factual live compliance presentation gets your registered representatives involved. This multimedia presentation meets the NASD requirement for your annual compliance meeting. Call for details and costs.

Special Corporate Opportunities Available

- On-site classes
- Discounted classes
- Discounted Self-study programs
- Specially structured savings packages to save you time and money for multy priced programs
- 24 hour fax service
- Fast test grading
- Customized training packages
- Friendly office staff

Special On-Site Short Programs

We can offer a combination of courses, each giving you 3 hours of continuing education credit.

In addition, with our 3 hour classes no test is required. Call today for a quote and schedule availability!

The course choices are as follows:

401(k) Plans
Charitable Remainder Trusts
Equity Index Annuities
Group Insurance Basics
Individual Retirement Accounts
Long Term Care Insurance

Register for one of our Operational Product Training Seminars

Seminar fees: \$425 per person

On-Site fees: \$3,000 for up to 10 participants, \$3,500 for 11-20 participants.

Courses:

Famas2000

501 Operational Training

502 Financial Statement Analysis

503 Advanced Operational Training

504 Cash Flow Training

WinFAST

601 Fundamental Operations Training

602 Projections Training

Famas Encore

101 Operational Training

102 Financial Statement Training

103 Advanced Operational Training

104 Cash Flow Training

105 Operational Historical

106 Operational Projections

Famas Entrepreneur

201 Operational Training

202 Credit Analysis for Small Business Lending

Lending Advisor

401 Operational Training

402 Advanced Operational Training

Famas Avanti

301 Operational Training

302 Advanced Operational Training

107 Famas Authoring

108 Famas Benchmark

403 Lending Advisor Tuning Tool

404 Lending Advisor Reports Author

Course 501: Famas2000 Operational Training

This course is designed to teach the operational capabilities of Famas2000. Whether you are a commercial or small business loan officer, credit analyst, loan review officer, or anyone who uses or supports Famas, this class is for you. You will participate in class discussions, hands-on examples, and independent exercises – all designed to help you leave the class confident with Famas2000's credit analysis flexibility and control.

Duration: 1 day

Prerequisites: We recommend participants have a working knowledge of Microsoft Windows.

Agenda:

Standard Features:

- Displaying and arranging windows
- Identifying Famas2000 screen elements
- Controlling miscellaneous setup option
- Using and changing the Help system

Historical Analysis:

- Creating customers
- Modifying customer, consultant, and RMA information
- Selecting and changing statement rounding
- Adding and deleting statements
- Hiding and displaying statements
- Reconciling statements
- Entering spreadsheet information
- Adding, deleting, and renaming accounts
- Balancing statements
- Creating and modifying footnotes
- Using hints and shortcuts
- Choosing statement order and entry options
- Using cell copy options
- Entering data using the calculator mode

User-defined Analysis

- Adding, deleting, and modifying custom calculations
- Using and creating system macros
- Building calculations
- Understanding formulas in Famas2000
- Entering user-defined compliance values

- Identifying special considerations

Consolidation Analysis

- Entering, eliminating entries
- Creating detailed and summary consolidation

Reporting

- Selecting historical, consultant, peer comparison, and ratio performance reports
- Selecting report rounding, order, and destination
- Customizing report formats, margins, fonts, and page numbers
- Printing and viewing reports on screen

Long-term Projection

- Understanding Famas2000's projection methodology
- Creating long-term projection scenario
- Using Famas2000's Quick Assumptions
- Using customer prepared projections in Famas2000
- Choosing account assumption type
- Identifying data entry considerations
- Accessing historical data through projections
- Using assumption reports

Debt Payment

- Applying a cash surplus or deficit
- Using percentage and priority methods

Course 504: Famas2000 Cash Flow Training

Cash Flow analysis is an important tool to use when making effective decisions. That's why we offer a course to help improve the credit skills of Famas2000 users. Designed for loan officers, credit analysts, loan review staff, and other credit professionals, this course helps you understand cash flow and how it can be used to determine a borrower's financial health and/or loan repayment ability. You will gain an understanding of the Famas2000 format for presenting cash flow information and the powerful tools within the software to help you interpret cash flow. You will learn how loans are repaid with cash flow, not profits. Practical case studies help show how cash flow analysis can quickly identify the critical issues facing a business borrower.

Duration: 1 day

Prerequisites:

- Participants should have a basic understanding of business financial statements.
- Minimum of 6 participants required

Agenda:

Introduction to Cash Flow

- Learning the principles of cash flow accounting
- Understanding the logic and structure of the cash flow statement

- Constructing a cash flow statement

This session introduces you to the format of Famas2000's cash flow statement and the calculations it uses to remove the effects of accrual accounting to expose inflows and outflows. You will make comparisons between income statement income accounts and the related cash flow statement accounts. You will identify and interpret the differences between these two amounts.

Using and Interpreting Famas2000 Cash Flow Reports

- Identifying and Analyzing trends in cash flow
- Understanding borrowing causes
- Analyzing cash flow variances: using cash flow drivers to identify the causes for changes in operating cash flow

This session follows a structure approach to help analyze six key cash flow markers on the cash flow statement (a marker is one of six key cash flow sub-totals on the cash flow statement):

- Cash After Operation
- Net Cash After Operations
- Net Cash Income
- Cash After Debt Amortization
- Financing Surplus/Requirements
- Cash After Financing

A series of questions will emerge from each marker and help you identify the business, management, industry, and economic conditions that influenced cash flow in the past and may have relevance in the future. Through classroom discussion and small group discussion and small group case studies, you will gain insight into the business issues influencing a credit decision. You will examine the following critical areas and their impact on the financing needs of a business:

- Rate of sale growth or decline
- Expenses
- Trading account management
- Capital investments
- Financing of cash needs

Projecting Cash Flow in Famas2000

- Identifying the variables needed to create a projected balance sheet, income statement, and cash flow statement
- Determining appropriate financial assumptions for analyzing future cash flow
- Identifying and using key indicators to determine the likely financial success of a business under a given forecast scenarios

The insights you gain in the first part of the course serve as a basis for creating a forecast of cash flow available for loan repayment. You will evaluate probable future events in terms of

how they may affect cash flow. You will use sensitivity analysis to examine the effects of these events on the company's sales, expenses, trading account management, capital investments, and financing. You will create financial projections in Famas2000 to help anticipate the potential range of a borrower's financial performance under varying conditions.

**Appendix 4.8
Employed Workers in Financial Sector by Educational Attainment
1988-1998**

No grade

Elementary Undergraduate

Year	Finance Divisions			
	Banks	Non-banks	Insurance	Total
1988	0	0	0	0
1989	0	0	0	0
1990	0	0	0	0
1991	0	0	0	0
1992	0	0	0	0
1993	0	0	0	0
1994	0	0	0	0
1995	0	0	0	0
1996	0	0	0	0
1997	0	0	0	0
1998	85	0	0	85

Year	Finance Divisions			
	Banks	Non-banks	Insurance	Total
1988	0	0	455	455
1989	0	1,150	0	1,150
1990	1,707	2,065	693	4,465
1991	989	0	323	1,312
1992	1,479	689	0	2,169
1993	342	1,468	0	1,810
1994	0	0	0	0
1995	0	1,078	0	1,078
1996	1,454	0	0	1,454
1997	683	195	152	1,029
1998	0	962	0	962

Elementary Graduate

High School Undergraduate

Year	Finance Divisions			
	Banks	Non-banks	Insurance	Total
1988	2,573	392	2,090	5,055
1989	2,044	493	1,353	3,891
1990	1,858	1,163	1,286	4,307
1991	349	886	420	1,655
1992	1,046	0	0	1,046
1993	1,456	1,946	0	3,403
1994	1,253	995	289	2,537
1995	1,238	855	1,428	3,521
1996	1,259	1,579	2,236	5,074
1997	531	1,766	1,863	4,160
1998	261	1,185	151	1,597

Year	Finance Divisions			
	Banks	Non-banks	Insurance	Total
1988	386	0	0	386
1989	1,089	1,010	638	2,736
1990	2,384	486	615	3,485
1991	2,848	1,239	614	4,701
1992	773	647	471	1,890
1993	1,021	2,286	899	4,206
1994	1,169	2,571	1,179	4,919
1995	3,391	1,701	759	5,852
1996	1,795	2,142	2,093	6,031
1997	2,609	2,718	1,404	6,731
1998	2,751	3,231	1,035	7,017

High School Graduate

Year	Finance Divisions			
	Banks	Non-banks	Insurance	Total
1988	6,998	1,212	5,194	13,405
1989	10,998	2,615	5,838	19,450
1990	12,846	1,343	5,209	19,398
1991	7,393	3,129	4,793	15,314
1992	10,890	2,198	5,160	18,249
1993	11,839	5,702	2,688	20,228
1994	14,374	7,201	4,313	25,888
1995	13,155	6,834	5,666	25,654
1996	15,610	8,480	3,754	27,844
1997	17,509	7,199	5,004	29,713
1998	13,329	5,785	4,369	23,482

College Undergraduate

Year	Finance Divisions			
	Banks	Non-banks	Insurance	Total
1988	10,646	4,480	19,028	34,155
1989	8,726	4,762	14,878	28,366
1990	15,763	2,863	10,883	29,509
1991	9,837	2,978	12,215	25,030
1992	10,032	7,578	11,797	29,407
1993	10,798	8,814	11,178	30,790
1994	14,554	6,990	14,870	36,414
1995	16,593	13,365	12,266	42,224
1996	17,647	18,116	14,986	50,749
1997	16,800	17,267	11,485	45,552
1998	17,997	14,704	11,805	44,506

College Graduate

Year	Finance Divisions			
	Banks	Non-banks	Insurance	Total
1988	74,693	9,483	25,400	109,576
1989	82,601	15,642	24,558	122,801
1990	91,081	13,986	30,393	135,460
1991	81,491	14,762	32,034	128,287
1992	84,894	18,692	28,292	131,878
1993	80,300	20,323	35,219	135,842
1994	87,577	18,678	33,178	139,433
1995	100,652	24,442	24,379	149,473
1996	110,964	31,293	40,957	183,214
1997	108,169	35,145	32,656	175,970
1998	109,853	32,661	40,751	183,265

All Levels

Year	Finance Divisions			
	Banks	Non-banks	Insurance	Total
1988	95,297	15,567	52,168	163,032
1989	105,457	25,671	47,265	178,393
1990	125,639	21,905	49,079	196,623
1991	102,906	22,995	50,399	176,300
1992	109,115	29,804	45,720	184,639
1993	105,756	40,539	49,983	196,278
1994	118,927	36,436	53,828	209,191
1995	135,029	48,275	44,498	227,802
1996	148,729	61,610	64,027	274,366
1997	146,301	64,290	52,564	263,155
1998	144,275	58,528	58,112	260,915

**Appendix 4.9
Demand and Supply of Manpower
Financial Sector
Selected Years**

Year	Employed in Financial Sector College Graduates	All Levels	Demand for College Graduates	Supply of Commerce Graduates	Supply-Demand 1	Number of CPA Examinees	Supply-Demand 2
1988	109,576	163,032				21,974	
1989	122,801	178,393	13,225	81,575	68,350	17,185	3,960
1990	135,460	196,623	12,659	89,731	77,072	12,410	-249
1991	128,287	176,300	-7,173	69,211	76,384	10,495	17,668
1992	131,878	184,639	3,591	61,068	57,477	8,984	5,393
1993	135,842	196,278	3,964	69,045	65,081	9,790	5,826
1994	139,433	209,191	3,591	84,592	81,001	9,689	6,098
1995	149,473	227,802	10,040	87,131	77,091	7,654	-2,386
1996	183,214	274,366	33,741	96,665	62,924	7,928	-25,813
1997	175,970	263,155	-7,244	79,297	7,323	9,554	16,798
1998	183,265	260,915	7,295			11,955	4,660

Sources: Labor Force Survey, Commission on Higher Education, Professional Regulation Commission

**Table 5.1
Human Resource Requirements of the Financial Sector and
CHED Curricular Requirements**

Industry Requirements	CHED Curricular Requirements	Evaluation
<p>Educational Qualifications</p> <ul style="list-style-type: none"> • BS in Accountancy • BS in Commerce • BS in Computer Science • Banking and Finance • Economics 	<p>These courses are offered in various colleges and universities throughout the country</p>	<p>Although schools follow the CHED minimum requirements, academic programs may differ based on quality of teachers and other educational inputs</p>
<p>Skills and Competencies</p> <ul style="list-style-type: none"> • Banking <ul style="list-style-type: none"> ○ Communication Skills ○ Analytical Skills ○ Computer Literacy ○ Background in Accounting and Finance • Insurance <ul style="list-style-type: none"> ○ Communication Skills ○ Analytical Skills ○ Computer Literacy ○ Selling and Servicing • Stock Brokerage <ul style="list-style-type: none"> ○ No specific course requirement ○ Passing the Certified Securities Representative examination 	<ul style="list-style-type: none"> • Communication Skills <ul style="list-style-type: none"> ○ English : 6 units ○ Filipino:6 units ○ Philosophy and Humanities: 6 units • Analytical Skills <ul style="list-style-type: none"> ○ Mathematics : 6 units ○ Statistics: 3 units ○ Operations Research: 3 units ○ Economics: 6 units ○ Social Science: 12 units ○ Science: 6 units ○ Business Law and Taxation: 9 units • Computer Literacy <ul style="list-style-type: none"> ○ Information Technology: 6 units 	<p>Communication Skills (Units: High/Low)</p> <ul style="list-style-type: none"> • English 18 /12 • Filipino 9/6 • Philosophy and Humanities 15/6 <p>Analytical Skills</p> <ul style="list-style-type: none"> • Mathematics 12 /6 • Statistics 6 /3 • Operations Research 6/3 • Economics 12 /6 • Social Science 15/12 • Science 9/6 • Business Law and Taxation 15/12 <p>Computer Literacy</p> <ul style="list-style-type: none"> • Information Technology 9/6

<ul style="list-style-type: none"> ○ Passing the MAKTRADE examination for licensure for order takers ○ Knowledge of domestic and international stock markets 	<ul style="list-style-type: none"> ● Accounting : 12 units ● Finance: 3 units ● Marketing: 3 units ● Business Management: 6 units ● Rizal : 3 units ● Major Professional Courses:21 units 	<p>Other Courses</p> <ul style="list-style-type: none"> ● Accounting 15/12 ● Finance 6/3 ● Marketing 6/3 ● Business Management 9/6 ● Rizal 3/3 ● Major Professional Courses 39/33
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<p>Personal Characteristics</p> <ul style="list-style-type: none"> • Ethical Integrity and Honesty • Industry • Self-discipline • Assertiveness and Self Confidence • High Emotional Quotient • Open to challenges • Passion for learning • Adaptability • Human relations and motivational skills 	<ul style="list-style-type: none"> • Philosophy and Humanities: 6 units • Social Science: 12 units • Business Management: 6 units 	<p>The courses under philosophy and humanities may include art appreciation, logic, contemporary philosophy, man and society and literature</p> <p>Under social science courses may include business psychology, society and culture, politics and history</p> <p>Under business management courses may include principles of management, personnel administration, business policy and production management</p>
<p>Additional Requirements</p> <ul style="list-style-type: none"> • More specialized courses in banking • Inclusion of more advanced courses in finance and investments • Specific computer applications in finance, tellering and accounting • On-the-job training and other immersion programs 	<ul style="list-style-type: none"> • Major Professional Courses: 21 units • Information Technology: 6 units • Practicum Courses 	<p>Some schools require up 39 units of major professional courses in finance. Some of the specialized courses in banking, finance and investments can be integrated in the major professional courses</p> <p>Aside from the 6 units of required information technology courses, many courses have integrated information technology in their syllabus.</p> <p>Many schools have integrated on-the-job training programs but they vary in terms of quality and relevance across schools.</p>