

## **Realities about financial management from micro and small (Mypes) companies from Dolores Hidalgo, C.I.N., Gto.**

URBINA-IBARRA, Marcos\*† & LANDEROS-GUERRA, Martha Soledad

*Universidad Tecnológica del Norte de Guanajuato*

Received August 15, 2016; Accepted December 27, 2016

---

### **Abstract**

In the follow research we are showing the knowledge about management of economics resources; those are developed by the CEO in the micro and small enterprise. This knowledge talk about the control of assets and liabilities, en the other hand it's explain the control that the manager has over the expenses and incomes in the company. This information helps the CEO to have a clear environment to make a decision.

### **Assets, Liabilities, Expenses, Incomes, Management**

---

**Citation:** URBINA-IBARRA, Marcos & LANDEROS-GUERRA, Martha Soledad. Realities about financial management from micro and small (Mypes) companies from Dolores Hidalgo, C.I.N., Gto. ECORFAN Journal-Republic of Peru 2016, 2-3: 30-34.

---

---

\* Correspondence to Author (email: marcosurbina@utng.edu.mx)

† Researcher contributing first author.

## Introduction

The objective of this article is to show in a general way the situation regarding financial management presented by the MyPEs in the municipality of Dolores Hidalgo, C.I.N., located in the state of Guanajuato.

The diagnosis of the situation of MSEs is relevant today as it is not growing successfully, which demonstrates the development of more productive structures in the country.

For example, between 2003 and 2008 the number of micro-sized manufacturing economic units in the country increased by 35%, the number of small-sized manufacturing units increased by 13%, the number of medium-sized enterprises declined by 2% (INEGI, 2011).

In Mexico micro, small and medium-sized enterprises (SMEs) have great influence as generators of economic development, in 2010, the population of SMEs in Mexico was 4.1 million, representing an estimated 52% of GDP and 78.5% of total employment, which accounts for almost three-quarters of total employment, and is the third-highest share of microenterprises in the OECD's 35 OECD countries.

According to Roberto Newell, the mortality of SMEs is high in Mexico, especially among smaller companies during its first year of operation.

Different causes explain their death, among them the abilities of the entrepreneurs who manage them, their levels of operation so small, the scarce differentiation of their offer and, finally, the low level of capitalization with which they start these businesses (Newell, 2015).

Another problem is the level of guarantees that credit institutions have to protect their resources and in Mexico they are double the value of the credit that is granted. In another point a problem that in Mexico is observed with much is the credit bureaus face particular difficulties to register the credit history of the companies of the one of the individuals; High taxes, social security and employment protection affect incentives for the creation, operation and development of enterprises, curbing the development of the formal sector (OECD, 2013).

For better decision making the financial manager (Director) must have a financial plan which starts with the sales forecast and concludes with the issuance of pro forma financial statements; To determine whether or not the sales forecast is adjusted, there must be financial control (Besley & Brigham E., 2008). Financial management is one of the obligations of the financial manager, and all companies need it whatever their size, legal size or constitution (Gitman, 2007) and each and every area and / or department of the companies are immersed In financial activities, such as sales, human resources, production, etc., so that companies can achieve their objectives must have sound finances (Ceballos H., 2010).

Now, the financial manager not only performs financial planning, he also has, among other tasks, to decide whether to increase or reduce credit to clients, approval of new sources of financing, acceptance of heavy expenses, etc. (Gitman, 2007). There are financial strategies that help a better financial management, regarding banks knowing is the daily balance serves to make the payment of accounts payable or in your case if it should be extended as much as possible without the company being Is affected in economic matters, nor in terms of receiving the material resources that it receives from creditors and suppliers (Perdomo M., 2002).

The strategies with regard to accounts receivable to consider whether a line of credit is granted, continuous or extended must be made a pertinence study observed the capacity of payment and the credit history of the clients (Ochoa S., 2005), in a Industrial company real estate, machinery and equipment are the areas where a large part of the investment is located within a company and therein lies the importance of knowing with what goods are counted and amount of the investment that you have (Moreno F. & Rivas M., 2002). Finally, in the case of accounts payable arising from a commercial credit (suppliers) do not generate interest, however delaying the payment after the due date will mean a deterioration in the credit history and that will result in the reduction of the credit or in the Not financing by suppliers (Van Horne & Wachowicz Jr., 2010).

The director of a micro, small or medium-sized company is usually the entrepreneur himself who performs such work, the director needs, among other things, to apply financial management; Which leads us to question the following: Are the directors of micro, small and medium enterprises in the city of Dolores Hidalgo Gto., C.I.N have control of the financial and material resources with which the company has which they direct?

## **Method**

An instrument was designed to measure the MTS-Finance Administration from the perspective of a single person - the director of the organization. Given the variety of activities that these companies have and they manage family structures, the measure was taken to define the director as the person who makes the majority of decisions in the MiPE company, according to the OECD classification, who consider them to have 50 employees and annual sales up to 100 million pesos.

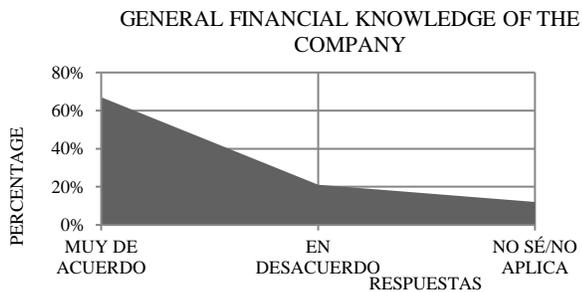
Sample and sampling. The minimum sample should be 356 participants, given a population of 4,844 economic units in the municipality. (INEGI, 2015), and using the own sample size formula for proportional analysis - we consider a value of  $p = 50\%$ , to obtain the largest sample with a 95% confidence and a 5% error. To collect the questionnaires, a convenience sampling was conducted in which approximately 187 students were trained to apply the instrument and then captured on an Internet platform.

## **Methodology**

The points of the financial area as: assets, liabilities, capital, income and expenses managed by the company the directors considered the following:

Of the control over their assets that the company has 70% of the directors say they know the cash they have in the bank, agree and strongly agree, 30% do not know it in answer do not know and strongly disagree. Regarding the amount owed to customers, 70% know how much their accounts receivable amount is, 30% do not know it, they strongly disagree and disagree. 63% know the value of their inventory to agree and strongly agree, 14% do not know, 15% say they disagree, and the rest strongly disagree. It is seen that 67% agree and strongly agree to know the value of their fixed assets, while the remaining 30% mainly do not know, strongly disagree and disagree. From the control of its liabilities the situation that was presented: 75% know how much is due to their suppliers, the remaining 25% mainly do not know, strongly disagree and disagree. 62% know their debts with their relatives and acquaintances 24% say they do not know loans to relatives and acquaintances, the remaining 15% strongly disagree and disagree. 56% know how much they owe to the bank and other institutions, 28% say they do not know and 16% say they strongly disagree and disagree.

The knowledge or control that the directors of their companies have with regard to their finances 67% has knowledge, 21% has some knowledge and the remaining 12% have no knowledge of how financially the company they are managing, as well as See Graphic 1



**Graphic 1** General financial knowledge of the company

### Control of Capital

As regards the capital assets that the company has, the following was considered:

58% know how much their business is worth 17% say they do not know, 9% say they strongly disagree 14% disagree 2% do not answer.

### Control of Profit and Loss

It was answered as follows: 69% know the value of their sales the previous month, the other 31% said they did not know or disagree mainly.

The average knowledge of the amounts that are collected 67% said they know them while 12% do not know, 13% disagree and 8% strongly disagree.

In the items of suppliers paid payments it was answered that 63% strongly agree that they know the amount made, in another sense it corresponds to I do not know, and I strongly disagree with 37%.

73% know how much they spent last month compared to knowing how much sales last month (69%) is higher.

### Conclusions

The research gives as results that the directors know the resources that the company has and therefore control its business with regard to its assets, however in the area of accounts receivable know this amount what will have As a consequence that those accounts probably do not get collected and have a lack of cash, in this way they lose the financial capacity to pay commitments, so their business is administered empirically, however the employer who has a How a company should be run the results are highly satisfactory.

The fact that the director assures to know the amounts realized by incomes received by vent and receipts and expenses for payments and purchases gives certainty of the economic activity, but not that in this a control is made so that these are not inclined only to the expenses, for What to do a comparison is the main recommendation.

### References

- Besley, S., & Brigham E., F. (2008). *Fundamentos de administración financiera*. México: CENGAGE Learning.
- Ceballos H., J. (2010). *Estrategia Financiera*. México: Trillas.
- Gitman, L. J. (2007). *Principios de Administración Financiera*. México: Pearson Educación .
- INEGI. (2011). *Micro, pequeña, mediana y gran empresa: Estratificación de los establecimientos*. Mexico: Instituto Nacional de Geografía e Informatica.

Moreno F., J., & Rivas M., S. (2002). La administración financiera de los activos y pasivos a largo plazo, el capital y los resultados. México: Grupo Patria Cultural, SA de CV.

Newell, R. (12 de 11 de 2015). Capital de trabajo y Pymes. Reforma.

OCDE. (2013). Temas y políticas Clave de PyMes y emprendedores en México. Mexico: OCDE.

Ochoa S., G. (2005). Administración Financiera. México: McGraw-Hill.

Perdomo M., A. (2002). Elementos básicos de administración financiera. México: International Thomson Editores, SA de CV.

Van Horne, J. C., & Wachowicz Jr., J. M. (2010). Fundamentos de Administración Financiera. México: Pearson Educación.