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# EPRA International Journal of **Socio-Economic and Environmental Outlook**

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SJIF Impact Factor(2019): 6.124

Volume: 6 August - July 2019-2020

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## **RIVERS STATE UNIVERSITY BUSINESS EDUCATION STUDENTS’ PERCEPTION OF ‘MMM’ QUICK-ONLINE MONEY-MAKING VENTURE AND THEIR ACADEMIC PERFORMANCE**

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### **ABSTRACT**

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*The study ascertained Rivers State University Business Education students’ perception of ‘MMM’ quick-online money-making venture and their academic performance. The research adopted a descriptive survey design. Two research questions and two hypotheses were posed to guide the study. The population of this study consists of 500 final year Business Education students of Rivers State University. The researcher adopted Krejcie and Morgan formula for sample size determination to arrive at a sample size of 211 Business Education students. The Instrument used for data collection was a structured questionnaire titled “Business Education students’ perception of ‘MMM’ quick-online money-making venture and their academic performance” (BESPMQMMVAP). Excel calculation equation was used to test the hypotheses with the use of Z-test statistical tool at 0.05% level of significance. The result obtained indicated that MMM quick online money-making ventures affects academic performance of students to a moderate extent which shows that students are distracted from their studies as a result of misplacement of priority and involvement in quick online money-making ventures which has affected their academic performances. The result of the study also revealed that the z-calculated are greater than the z-critical value, meaning that there is a significant difference between distracted and non-distracted likewise depressed and non-depressed in their academic performance due to involvement in MMM quick online money making ventures. Thus, the study recommended among others; that there should be a virtual classroom to curb unnecessary flooding of these websites, there should be a social networking as an educational tool, and a combination of Rich Site Summary (RSS) in-line with our method of teaching.*

**KEYWORDS:** *MMM, Ponzi scheme, Academic performance, Business Education.*

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### **INTRODUCTION**

Introduction of basic facilities and services needed for the functioning of the society has always been an opportunity for humans to excel, but technological innovations are blessings and are seen as great opportunities for all classes of human being, both political and socio economic class. Innovation relating to the area of technology attracts attention from all and sundry so is the case with the development of the Ponzi scheme, the MMM quick online money-making ventures. This innovation is been viewed in different perspective it could be the legitimate way which is website design, promotion and marketing of goods online for free, bulk

messages, online proposal etc. In Nigeria especially Rivers State in the year 2015 and 2016 these ponzi scheme were available in various sites such as the Sergi Mavrodine, Mondial Movement (MMM), I-Charity, Ultimate, Cycler, Zarfund, Giver’s Forum, Helping Hands, Crowd Rising, Help2get, Bit-coin, Pyramid scheme to mention but a few, have consistently gained patronage by across Nigeria as a since of the recession, ( Onyeji, 2016). According to Blanton (2012), a Ponzi scheme in U.S, problem solver to free people from financial distress during the recession but failed by increasing debit and noticed that debit resolution scams were also common. According to Asogwa, Etim, Etukafia, Akpanuko

and Ntiedo (2017) Ponzi scheme, people think is the best alternative to any harsh economy. Ewubare, (2017) assert that different authors and researchers have conducted research to clearly show the impact of the various sites about their users and their activities and the findings in their little way pointed both bad and good aspect of their activities. Almost all the countries of the world have access to the internet due to the rapid development or advancement within the last three (3) decades.

One of the most recognized and popular platforms used on the internet for quick money-making venture is the (MMM) site. Most of the Ponzi schemes started as legitimate businesses, until most of them get involved in fraudulent act and could not achieve the goals of the business. The scheme pays the older investors with the new investor's money on a very high percentage, with this reasons they receive high investors from the new once to continue the ponzi. Charles ponzi was named after the scheme in 1920, he used evil means to get money from people. The principles was build on using the new investors money to pay the old once and anticipating for other new once in a revolving form, and if anything happened the last investors goes home with nothing. Deason, Rajgopal,Waymire, & White (2015), ponzi scheme was sustained by inviting new investors who for invest of large profit invest more money.

The scheme fails where there are reduced investors or no more investors to deposit or pay old investors resulting to a shut down to the detriment of the investors. In Rivers State this scheme was ignored by many because it was seen by some people as a scheme that returns high interest rate on small investment which was seen as fraudulent. The scheme relies on constant new investments revolving from one person to the other. These sites being at the forefront of making quick money for students, has over three million (3,000,000) active users on these sites every month, (Elezu, 2016). The scheme gave access to thousands of people around the world, including university students are among the target market for this scheme with various features like: provide help, get help, check mavro account, first timer bonus, Christmas bonus which is for the season and so on, (Akhaine, 2017).

### **Concept of Ponzi Scheme**

Ponzi scheme is an illegitimate activity whereby a schemer and investors ask people to invest small money and get a high profit through new investors.

Greenspan (2011) ponzi scheme is defines as a platform that is fraudulent, the schemer takes people money to themselves and pay the older investors with a high percentage profit from small investment gotten from new investors. As for Deason, Rajgopal, Waymire & White, (2015) they viewed the ponzi scheme as a process whereby the originator of the scheme never made a legitimate investment in terms of asset but produce a high income at the end. According to Sadiraj and Schram (2000), sees Ponzi schemes as a fraudulent games where a company or an individual pay out interest returns to some invested parties by taken funds from others investors.

### **History of Ponzi Scheme**

Ponzi schemes is not a new venture, it started in the mid 1800s, but gained popularity in in the early 1900s by a fraudster Charles Ponzi on 3<sup>rd</sup> march, 1882 to 18<sup>th</sup> January, 1949. The business bought postal with coupons in Italy and give them in exchange for stamps in U.S.A, he promised investors and extra 50% returns in 45 days or 100% in 90 days, which means the profit is extraordinarily high just to attract new

investors,(Stelter, Berger, Odewald & Schilder, 2013). People noticed that he re-invest the money to pay the older investors and large his capital, making huge profit along the way and when that one collapsed over \$20 million. In 2011 over \$225 million was lost, since the scheme was very popular round the world. MMM was founded by Sergie Mavrodi, Vyacheslav Mavrodi, and Olga Melnikova in 1989, which was a Russian well known company and was known as the world largest ponzi schemes of all time with the headquarter in Moscow, attracted a lot of private investors during the time of hyper inflation in Russia. The scheme lasted until 1920 after the securities Exchange Company conducted an investigation and discovered that it was a fraud. In 1994 Ponzi was known as the founding father of all financial fraud, (Quisenberry, 2017; Rodney, 2010). Before MMM arrival to Nigeria, some of the countries like south Africa, China, Zimbabwe and many other failed leading to the loss of millions of money of people and resulting to trauma of many. (Elezu, 2016).

### **Characteristics of ponzi scheme**

Ponzi schemes have some general characteristics as followed:

- i). Offering people abnormal high percentage returns on all investment.
- ii) Always encourage new investors to join desperately.
- iii) People are paid return out of new investor's investment. (i.e. collecting from Mr. J to pay Mr. O), which is illegitimate.
- iv) Investors consistently receive an update on accumulating interest to encourage them to invest more and relaxed.
- v) Testimonies of the benefits are easily spread on social platform.
- vi) Encourage re-investment to sustain the scheme..
- vii) Encourage people to help others or empowering others without a traceable source of income.
- viii) They make sure that new bonuses are introduced.
- ix) according to Jack and Ibekwe,(2018). Matched with another member to provide help (PH) or get help (GH), etc.

### **MMM Nigeria**

Before the arrival of Ponzi schemes in Nigeria, Nigerians has practice other scheme that are related to Ponzi scheme. Ndukwe (2016) Ponzi scheme is not new in Nigeria, shemes such as; Pyramid and Green World, Umana-Umana in Port Harcourt and Calabar in 1980s, The Planwell in Edo State from 1991-1992 and Nopecsto in Lagos State from 2002-2007, to mention but a few. Late 2015,MMM sees Nigeria as a potential market for business by launching a website and also giving a total of more than 30% income on investment per month and lucrative incentives attached to it, as of 2016 2.4 million in Nigeria, following the country high rate of unemployment and the recession in 20116. Economic and Financial Crimes Commission (EFCC) as a security agent confirmed the monitoring of the scheme. As a result Mavro account announced the freezing of all account on 13th December 2015, there was a big tension in the country that many attempted committing suicide. The State Emergency Management Agency (LASEMA), on December 15, 2015 asked Lagosians to dial if anyone is seen trying to commit suicide due to high number of people that committed suicide when it first happened in Russian.

Bupo and Abam-Smith (2017), assert that students involved in the scheme agreed that Ponzi Scheme is legitimate because its increased their income and reduced recession and they also agreed that Ponzi scheme is a scam that will surly crash, knowing this, many get involved because of the negative effect of the harsh economic facing the country. As a result of

this the researcher tends to examine the extent MMM quick online money-making ventures affect student academic performance in Rivers State University, Port Harcourt.

### STATEMENT OF THE PROBLEM

The advent and growth of MMM in Nigeria was fast and seen as a lucrative business. In Rivers State it started collapsing because people refuse to keep their money in the bank, they rather provide help to people that need help as their way of life. When mavro account postponed its operation from December 2015 to 15<sup>th</sup> January 2016 this pronouncement brought negative effect in the lives of the users especially students who have invested their school fees, accommodation fees, material (books) fees and so on. As a ponzi scheme the game proceeded to the extent of freezing MMM in the name of upgrading the site till it later opened but has already done harm for the short period it did not respond and later freeze. This has caused distractions, bringing academic backwardness, depression morally and physically. Some students who are users of the site were destabilized due to the freezing incidence, some could not read nor concentrate, some developed health issues and was hospitalized due to stress resulting from thinking of how to recover the lost/freeze money, some lost interest in academic work while some distracted, others are considering suicide due to the huge amount of money invested in the venture, because some of these monies are borrowed/ loaned. Some students claim to participate in such sites while doing their assignments while other has chosen to ignore the spurious scheme no matter how profitable it can be. It is also known that even the Central Bank of Nigeria (CBN), Federal Government (FG), Securities Exchange Commission (SEC), etc. can't do anything about it because of the faceless organizers. The fact that there is a relationship between the site usage and universities student academic performance was a bone of contention. This also encourages ignorance to academics, education, bribery (sorting) in order to pass their courses coupled with the recession in the Nigeria economy which has diverted their attention to making quick money which is not the primary reason they are sent to study. Since the problem is relatively new and inductive in nature, this menace can be handled in the country as most of the research on this area has been conducted in developed countries, meaning that there is a trend and gap on this area. Consequently, the researcher is indebted to conduct more on this topic to fill the gaps.

The purpose of the study is to ascertain the perceive influence of MMM quick money making venture scheme on student's academic performance, specifically it sorts to:

1. determine the extent distraction as a result of involvement in MMM quick money making venture scheme affects the academic performance of business education students in Rivers State University.
2. determine the extent depression as a result of involvement in MMM quick money making venture scheme affects the academic performance of business education students in Rivers State University.

On the premises of the above stated objectives, the study was guided by two research questions and hypotheses:

1. To what extent does distraction as a result of involvement in MMM quick online money-making ventures affect academic performance of business education student in Rivers State University?
2. To what extent does depression as a result of involvement in MMM quick online money making venture scheme affect academic performance of Business Education students in Rivers State University?

Hypotheses

1. There is no significant difference in the academic performance of distracted and non-distracted Business Education students of Rivers State University as a result of involvement in MMM quick online money-making ventures.
2. There is no significant difference in the academic performance of depressed and non depressed Business Education students of Rivers State University as a result of involvement in MMM quick online money-making ventures.

The content scope of the study covered the effect of MMM quick online money-making ventures and Business Education students' academic performance as potential teachers who should have better knowledge of Ponzi scheme and its implications to their studies and person. The geographical scope covers final year Business Education students.

### METHODOLOGY

The researcher adopted a descriptive survey research design for the study. The population of this study consists of 500 final year Business Education students of Rivers State University covering the four options of Accounting, Management, Marketing and Office Management Technology. The researcher adopted Krejcie and Morgan formula for sample size determination to arrive at a sample size of 211 Business Education students. The researcher adopted 4 point rating scale of High Extent (HE) 4 points, Moderate Extent (ME) 3 points, Low Extent (LE) 2 points and Very Low Extent (VLE) 1 point to answer the research questions while excel calculation equation was used to test the hypotheses with the use of Z-test statistical tool.

### RESULTS

#### Research question 1:

To what extent does distraction affect academic performance of student as a result of involvement in MMM quick online money-making ventures in Rivers State University?

**Table 1 The extent distraction affect academic performance of Business Education student as a result of involvement on MMM quick online money-making ventures in Rivers State University.**

S/N	ITEMS	HE	ME	LE	VLE	Mean	SD	Remark
1	Poor academic performance of students was as a result of distraction from MMM and other sites	54	65	73	24	2.69	0.97	Moderate Extent
2.	Business education student were under pressure as a collapse of the MMM and other sites	67	90	41	18	2.95	0.91	Moderate Extent
3.	MMM and other sites served as motivating factors to business education students on their academics	40	60	60	56	2.39	1.06	Low Extent
4	Poor academic performance of student is as a result of boycott classes for MMM site	22	61	86	47	2.27	0.91	Low Extent
<b>Total</b>						10.3		
<b>Grand Mean</b>						2.58		Moderate Extent

Field survey 2019

The result in table 1 above shows the extent to which distraction as a result of involvement in MMM quick online money-making ventures affects Business Education students' academic performance. The result shows that item 1 and 2 obtained which is within the range of 2.69 and 2.95 indicating that MMM quick online money-making ventures affects academic performance to a moderate extent. Also, this table presents a grand mean score of 2.58 which is moderate extent

indicates that students are distracted from their studies as a result of their involvement in quick online money-making ventures.

#### Research question 2:

To what extent does depression affect students' academic performance as a result of involvement in MMM quick online money-making ventures?

**Table 2 The extent depression affects academic performance of Business Education students as a result of involvement on MMM quick online money-making ventures in Rivers State University.**

S/N	ITEMS	HE	ME	LE	VLE	Mean	SD	Remark
1	MMM freezing mavro's accounts depressed students and affected their academic.	53	91	62	10	2.87	0.84	Moderate Extent
2.	The early crashing of these websites affected students physically and morally.	74	74	42	26	2.90	1.00	Moderate Extent
3.	Money lost on these websites has affected the academic performance of students due to depression	38	70	70	38	2.50	0.98	Moderate Extent
4	MMM freezing gave students unstable mind which affected their academic performance.	57	78	51	30	2.75	0.99	Moderate Extent
<b>Total</b>						11.2		
<b>Grand Mean</b>						2.76		Moderate Extent

Field survey 2019

The result in table 2 reveals that the respondents indicate moderate extent in all the items in the research question, this means that student academic performance is being affected

by their involvement in quick online money-making ventures (Ponzi scheme). The responses recorded a total mean of 11.2 and grand mean of 2.76 which indicates moderate extent to which misplacement of priority affects the students academically.

**Hypotheses**

The two hypotheses were formulated for this study.

There is no significant difference between distracted and non-distracted student in their mean ratings due to quick online

money-making ventures (Ponzi scheme) on the extent to their academic's performance

**Table 3: Z-test showing the result on the above hypothesis 1**

Respondents	N	X	SD	Df	P	t-cal	t.crit	decision
Distracted	119	2.56	0.41	215	0.05	1.996	1.960	Rejected
Not distracted	98	2.58	0.31					

Source: Field survey, 2019.

The result in the table 3 shows a calculated 'z' of 1.996 which is greater the z critical value of 1.960 for a two test at 0.05% level of significance. As a result, the hypothesis is rejected. Therefore, it is maintained that students involved and those not involved in quick online money making ventures do defer as result of distraction.

**Hypotheses 2:**

There is no significant difference in the academic performance of depressed and non depressed Business Education students as a result of involvement in MMM quick online money-making ventures.

**Table 4: Z-test showing the result on the hypotheses 2 above**  
**Table 4: Z-test showing the result on the above hypothesis 1**

Respondents	N	X	SD	Df	P	t-cal	t.crit	decision
Depressed	119	2.77	0.41	215	0.05	2.003	1.960	Rejected
Non Depressed	98	2.73	0.52					

Source: Field survey, 2019.

The result in the table 4 above shows that the calculated 'z' of 2.003 is higher than the 'z' critical of 1.960 for a two tail test at 0.05% level of significance, therefore the hypotheses is rejected. The rejection attest that there is a significant difference between depressed and non depressed in their academic performance due to involvement in MMM quick online money making ventures.

This is disheartening because it is being done gradually and the students think it's of great benefit which is not true. (Sher,2015)

The study accessed quick online money making ventures and student academic performance in Rivers State University, Nkpolu, Port Harcourt. Descriptive research design was used for this study a random sampling technique was used to draw a sample size from a population comprising final year students of Business Education department, Faculty of Education, a structured questionnaire was used in other to gather information on the extent to which distraction and depression, affect the respondents' academic performance. Findings of this study revealed that item 1 and 2 affected academic performance of students in Rivers State University, Nkpolu, Port Harcourt to a moderate extent while item 3 and 4 affected them to a low extent.

**DISCUSSION**

The MMM quick online money making ventures and academics performance has been a big challenge to student in recent past. From the responses gathered in research question one it is observed that to a moderate extent distraction affects academics performance of students due to their involvement in MMM quick online money making ventures. Only surfing the internet doesn't just distract students, but also hurts students who are already struggling to grasp the material. According to Jack and Ibekwe, (2018), the reasons for high patronage ponzi scheme in Nigeria is attributed to economic recession in the country. Bupo and Abam-Smith (2017), assert that ponzi scheme participant sees the scheme to be scams and non-durable, because of the fact that the schemes are sustained by new investors, hence the new investors stop investing, the scheme will collapse.

**CONCLUSION**

Based on the findings of this study it was concluded that Business Education students involved in MMM quick online money making venture consider it very important and lucrative business as it increases their pause. The study also revealed that the academic performance of Business Education students involved in MMM quick online money making venture was affected negatively hence they were distracted and depressed. Until students are able to resist the pull of social networking wrongly, endlessly surfing these websites and adhering this Ponzi scheme they may continue to struggle in their classes.

For the research question two, information gathered revealed that to a moderate extent depression affect academics performance due to student's involvement in MMM quick online money making ventures. The zeal for academics is been killed due to the quest of pursuing money with the benefit of it coming quickly which has affected the minds of the student and their purpose of living which leads to their problem solving abilities resulting to death of initiatives and ideas and finally destroying work and ethics in the Nigeria students.

**RECOMMENDATIONS**

Based on the findings of this study, it is recommended that:

1. There should be a virtual classroom to curb unnecessary flooding of these websites.

2. There should be a social networking as an educational tool.
3. Combination of RSS (Rich Site Summary) should be in-line with our method of teaching.
4. Discouragement of our students from going to these websites
5. Monitoring against Ponzi schemes should best be undertaken by well-informed students because history shows that Federal Government (FG), Central Bank of Nigeria (CBN), Securities Exchange Commission (SEC), etc. identify most schemes only when substantial harm has been done.
6. Government and school management should sometimes implement policies designed to minimize student wrong use of digital devices (filtering)

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