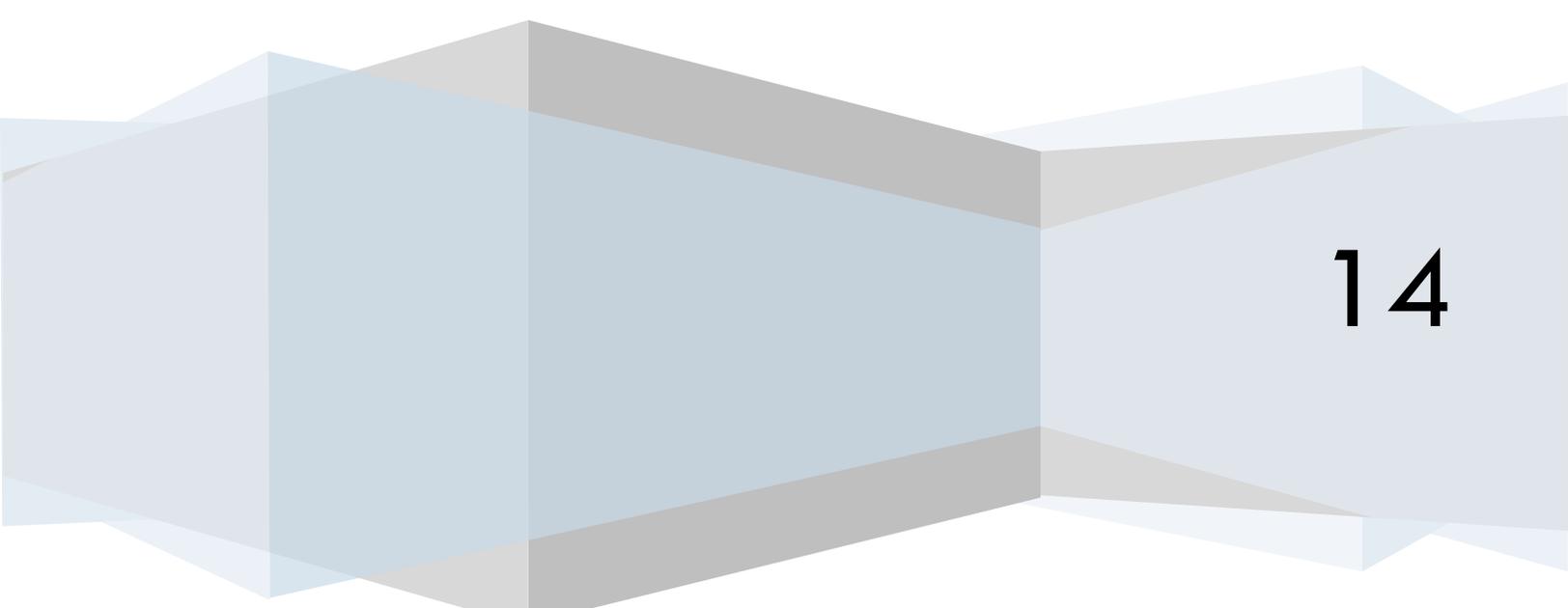


BRAC University

Internship Report

Accounting Practice in Medi Rome Ltd

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LETTER OF TRANSMITTAL

3rd April, 2014

To

Saif Hossain

Lecturer

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Sub: Submission of Internship Report on Accounting Practice of Medi Rome Ltd.

Dear Sir,

This is my pleasure to present my internship report. This report is an outcome of the internship program that I have involved for Three months (Thirteen weeks) in MEDI ROME Limited. I have tried my best to prepare this report with providing all of my effort and to cover all aspects regarding the matter.

Consequently, I am transmitting this report to your very concern. Hopefully, you will notice the report informative approach as a hallmark of my hard work. In case of any future clarification or elaboration regarding this report I would welcome the opportunity to consult with you to explore how my findings could best meet your needs.

Sincerely yours,

Yeasir Arafat

ID: 09304001

BRAC Business School

BRAC University

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Executive summary

Medi Rome Ltd is a house of quality medical equipment and diagnostic reagent. The company import medical and diagnostic machines and accessories and distribute all over the Bangladesh. Mainly, the machineries are imported from china, Germany, Korea, Taiwan, and India. The major clients of the company are diagnostic center and rests of the clients are physician.

This report aims toward providing an overview on account management department of Medi Rome Ld. While preparing this report it has been tried to reveal the insights of the account management Department & performance analysis of the organization. A few recommendations and suggestions were also prescribed based on the observation and findings.

Finally I have made a SWOT analysis to figure out some of the finding regarding the performance of Medi Rome Ltd. Meanwhile I have included my suggestions and recommendations in order to eradicate the weaknesses of their department. Finally I have ended my report through including references and sources that I have used to make this report.

Origin of the Report

Internship program is the most significant stage for a BBA student. The length of internship program is three months, which carries a greatest learning technique to know about the business and cope up the environment in such a way like trained employees. The experience that got by an intern during the internship period will make them more elegant and professional in their future job sector. I was started my internship at Medi Rome Limited, Head Office, from 9th September, 2013 and finished at 6th January, 2014. The internship report focuses on Account Management Team as well as its activities in Medi Rome Limited.

Organization Profile

Introduction

Medi Rome Ltd is one of the successful and ideal sister concern of Rome Corporation Ltd. The company started its journey from 2010. From the beginning, the company rapidly expanded its marketing area and at presents it distributing almost all types of medical and diagnostic machineries all over the Bangladesh.

History

Medi Rome Ltd founded in 2010 by the current Chairman of Mohammad Diderul Alam Mojumder. Medi Rome Ltd is one of the sister concerns of ROME Corporation Ltd. However, Medi Rome Ltd begins its journey with a loan from ROME Corporation. Moreover, it was subsidize only for one year by ROME Corporation. It is worth to mention that Medi Rome started at Dhaka and rapidly spread to all over the Bangladesh. Medi Rome Ltd launched its first branch in Rangpur in 2011 afterwards Chittagong branch in 2012. Khulna and Shylet branches started from the very beginning of the year 2013. In a very short period of time the company became popular to its clients. Initially, Medi Rome Ltd Imported diagnostic equipments only from China afterwards it started to import from Japan, Germany, USA, India, Taiwan, South Korea and so forth.

Products/ Service offerings

Medi Rome Ltd offers a various range of products. To capture rural and urban market it is essential to meet the demand for all type of client. Here is a brief list of the product offered by the company.

List of All Diagnostic & Hospital Equipments

01. X-ray Machine, Origin: China
02. Ultrasound System, Origin: China
03. ECG Machine, Origin: Korea
04. Bio-chemistry Analyzer, Origin: Germany
05. Operating Table (Stainless Steel), Origin: China
06. OT Light, Origin: China
07. Video Endoscope system with all standard accessories; Origin: China
08. Electrolyte Analyzer, Origin: Germany
09. Diathermy, Origin: Korea
10. Anesthesia machine
11. Multi Parameter Patient Monitor with ECG/RESP, HR, SP02, NIBP, 2IBP, 2TEMP & 10.4" Color TFF LCD Display, Model: VP-1000 and VP-1200, Origin: Korea
12. Hand Held Pulse Oximeter with Real time SpO2% and Heart rate + Pleth Graphic Waveform Display; Model: VO-100, Origin: Korea
13. Automatic Instrument for the determination of the ESR on 10 samples simultaneously or in random access mode; Model: VES-MATIC EASY, Origin: Italy
14. Full Digital Binocular Microscope 3M pixels; Origin: Italy, Taiwan

Service

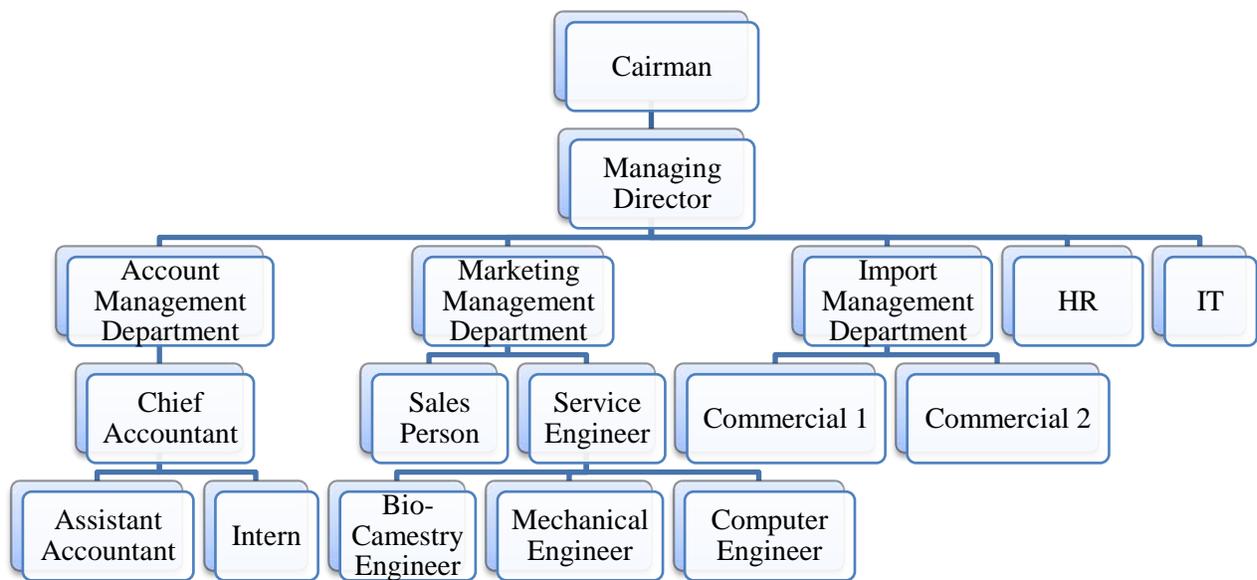
Medi Rome Ltd provides after sale service to their clients. Most the products have 12 months warranty and a few have 18 months. Service is provided free of charge in warranty period whereas service charge is applicable if warranty period is expired.

Operational Network Organogram

Organizational structure

Medi Rome Ltd does not follow traditional values. The employees are given enough responsibilities and authority to deliver their work in particular timeline. Employee empowerment is also practiced in the company. Employees of all level are allowed to take part in the decision making process. Not only getting the opportunity to involve in the decision making process but also have the access to communicate with the top management any time at work.

As the company is still growing the number of employee is less. Medi Rome Ltd has a head count of 56 people. Below is the organogram of Medi Rome Ltd:



Board and Management

Medi Rome Ltd is managed by the Board of Directors. Board of Directors is responsible for the corporate governance. It consists of five members including the Chairman, Didarul Alam Majumder and the Vice Chairman, Harun Ur Rashid. The Board of Directors are accountable for both operational and financial performance of the company. In addition, they are also responsible for budget approval, policy adoption or changes, new project review, compliance audit etc.

The Board of Directors:-

1. Diderul Alam Majumder
2. Harun Ur Rashid
3. Md Hasanur Rahman
4. Md Abu Eskender
5. Md Kamrul Hasan

Visions for the future

- To build Medi Rome Ltd into an efficient, market-driven, customer focused company with good corporate governance structure.
- Continuous improvement of business policies, procedure and efficiency through integration of technology at all levels.

Brief Description:

**Departments of Medi Rome
Ltd**

Marketing Department

Marketing department is mostly responsible for increase sales and providing service. Besides, this department introduces promotional activity, arrange advertisement and achieve target sales and so on. Marketing department covered whole Bangladesh to sell company's product as well as provide after sale service. After sale service is provide for free if warranty period is valid otherwise in exchange of service charge. As a result, both sales and service revenue lead by this department.

Import Management Department

The total process of import is executed by import management department. The process is started from L/C opening and ended by goods receiving. Furthermore, C&F agent is also managed by this department. According to my observation, this is the busiest department in this organization.

Human Resource Department

The role of the Human Resource Department is to deal with management of people within an organization. The Department is responsible for hiring members of staff and ensuring that they perform to expectation. HR department is also responsible for organization of people in the whole company and planning of future ventures that involves people in the company. The human resources department in Medi Rome ltd oversees employee relations, including determining salaries and wages, hiring staff and establishing employee performance objectives. The policies and procedures in regards to employee relations, which are coordinated by human resources management, are consistent with the overall business goals and objectives of the organization.

Information Technology (IT) Department

The IT department in Medi Rome ltd provides support to computer users in the company. This can include installing new software, repairing hardware problems, installing new hardware, troubleshooting problems and training employees specially to engineer how to use new software programs. Besides, the information technology department maintains the company's website. The company website is a commercial site that promotes products to consumers. Above all, IT department maintain the communication between the company and foreign countries' organization. Mainly, foreign correspondence is done by this communication.

SWOT Analysis

Strength

- Reputation of the company
- Excellent client service
- Strong relationship with existing clients
- Good Infrastructure
- Diversified product line
- Wide network of branches

Weakness

- Limited financial capacity
- Lack of experienced personnel
- Few employee motivation schemes
- Lack of job commitment of the employees

Opportunity

- Increase more branch office to grab more market share
- Increase the number of company's exclusive distributorship.
- Clients become more concern regarding the quality of goods rather than price
- Advertising, attending trade fair and launch showroom might be bright prospect

Threat

- The market is becoming dreadfully competitive
- Continuously increasing VAT and tax on imported goods
- Changing bank policy into increase foreign reserve

Job Profile

Nature of the Job

My job in Medi Rome Ltd was to work in Account Management Department. I was assisting an account manager. The team consisted of two people excluding me.

First few days I do not have to do anything except observing them and I was asked to learn by communicating and staying with Account management department. At the first month my primary work was to learn how to operate a customize software which is used for maintaining company account. Then, I practically involved in work with the account management team. I was mainly handling cheque register book where I kept record of each cheque received from client. In addition I had to make a notification report every day according to the cheques' drawing date. It is worth to mention that, I had great opportunity to be a part of audit of the company at the end of the year. As a result, I had to extend my internship period. At that time my responsibility was to find out the total account receivable of the year 2012 and 2013 with detail break up.

In Medi Rome Ltd both account management and financial planning is done by account management team.

To be part of the team it is responsible for maintaining an efficient and accurate Accounting function.

Specific Responsibilities of the Job

Basically, I had to verify calculations, maintained cheque book register and prepared cheques for payment.

Critical Observation

The Working environment is very friendly and employees are ready to help all the time. There is a good chain of command always followed. Moreover, Medi Rome Ltd has software to maintain their total accounting system while company is not relying on that software rather then keeping record of transaction manually. This manual method is time consuming and laborious. From my point of view I think the company should more efficiently use the customize software that they have. By upgrading and using software might fruitful for the company.

PROJECT PART

Description of the Project

Objective of the Report

The broad objective of the report is to know about the Account Management Department and what are the activities mostly done by this department. Moreover, pointed out the way of practice of accounting policy in Medi Rome ltd. I tried my best to investigate and compare practical accounting practice and real circumstance. Lastly, I figure out the concise scenario of the organizations accounting practice and include some recommendations.

Methodology

Throughout the internship period I worked at Account management department and earned experience on that department. By working as a member of this department, I had opportunity to accumulate lot of information; to some extent I had excess to see company's voucher, ledger, audit report and so forth. It is worth to mention that, the members of the office were very informative. Moreover, studying in university course, course text book and search engine was helpful to accumulate theoretical knowledge with practical.

Limitations

There are certain limitations in this report; otherwise the report including the analysis might be more accurate and beneficial. At first, it was difficult to get an appointment with auditor as an internee like me. In addition, the report could be more informative if I were able to visit the head office, Rome Corporation limited. Besides, during my internship period I neither visit company's store nor acknowledge about the company's cost account, inventory report or how it is maintained. As a result, this report does not carry any information concerning to the company's cost account and inventory report. Several time I felt that, company maintain some privacy while giving information, hence they do not disclose many thing to an internee.

Because of lack of information, I have to make some assumptions that may cause few errors in the report. In spite of, all these limitations, I have tried to put my best effort as far as possible.

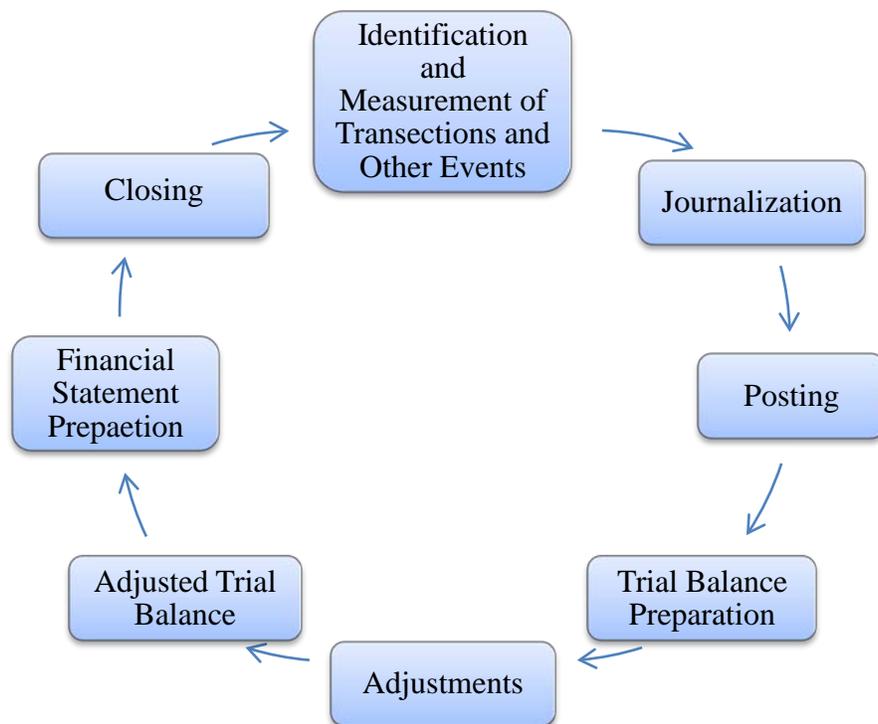
Chapter 1:

Introduction

The essential characteristics of accounting are identification, measurement, and communication of financial information about economic entities to interested parties. Accounting is an information system which provides information regarding debt outstanding, sales increasing or decreasing, cash, asset, profit or loss and so forth. An efficient accounting system is beneficial for every enterprise.

Financial accounting is the process that culminates in the preparation of financial report on the enterprise as a whole for the use by both internal and external parties. Users of those financial reports include investors, creditors, managers, unions and governments agencies. However, managerial accounting is the process of identifying, measuring analyzing, and communicating financial information needed by management plan, evaluate and control an organization's operations.

A standard accounting cycle –



When the steps have been completed, the sequence starts over again in the next accounting period.

Chapter 2:

Importance of proper accounting practice

An accounting practice is intended to enforce a firm's accounting guidelines and policies. It exists as the daily recording of financial data that is important to the evaluation and monitoring of the firm's economic activities. Accounting practice refers to the normal, practical application of accounting and/or auditing policies that occurs within a business.

Well-maintained and balanced accounting records are one of the vital parts of a business whether it is large or small, a start-up, or a long-standing business. When things are financially unstable, good accounting records can provide answers as to what changes to make or what to do away with in order to keep business growing and prospering.

In order to keep good business accounting records, we need to have a good accounting program and the knowledge to keep it well-organized and up-to-date. Everyday accounting and financial information will need to be processed and reviewed in order to achieve goals and to be able to predict future finances. Knowing where money is spent and how it is possible to reduce costs are some of the most important topics in starting and making business grow.

A company's accounts records held on an accounts ledger, give a detailed description about profits and losses in a cash spreadsheet format. Auditors can study these financial statements and determine the accuracy and integrity of the business. An accounting statement also distinguishes the success ratio of present business from past progress using accounts formats that are recognized by other companies and bodies.

Bank may want to see balance sheets and profit and loss statements before giving a loan. Every business owner must realize that proper and accurate bookkeeping is one of the most important parts of the business. Many believe that starting a business is the way to get ahead. However, without proper accounting records business is much less likely to survive.

Above all else, it is important to make sure that records are an accurate reflection of business and that they are maintained on a regular basis. Keeping records regularly up-to-date is much easier than trying to remember weeks or months later the details of transactions.

Chapter 3:

Observation

Accounting practice of Medi Rome

Throughout my internship period, I found that Medi Rome Ltd keep its daily transaction record by maintaining four books. Those books are cash book, bank book, clients' ledger book, general ledger book.

Cash book

In the cash book, the organization maintains their daily cash transactions. Any types of cash received like from client, withdrew from own bank account, service charge and loan from bank, other organization or director. Afterwards, daily cash expenses are also recorded. It is worthwhile to mention that every transaction is recorded from the journal voucher. Journal voucher refers to a voucher which functions as a journal book. It keeps transaction with date and explanation.

Dr.

Cr.

Date	Particular	Folio	Taka	Taka	Date	Particular	Folio	Taka	Taka
00/00/00	Balance/ Received from clients/bank withdraw/ Any income	Money receipt no.	XXX	XXX	00/00/00	Any Expense/ Bank Deposit/ Loan installment/ loan to any party	Voucher no.	XXX	XXX

Bank book

Bank book is kept to record all transaction regarding bank. Organization is maintaining two types of bank account in the same bank. One of them is current account and other is SND. Current account is to maintain small amount and frequent transaction whereas SND account is maintained for big amount transaction. Bank book play a vital role in bank reconciliation. Most of the time clients deposit in company's bank account. Often bank charge for online transaction

or letter of credit purpose. In this circumstance bank book and bank statement from bank are the primary sources of data for bank reconciliation.

Dr.

Cr.

Date	Particular	Folio	Taka	Taka	Date	Particular	Folio	Taka	Taka
00/00/00	Balance/ Received from clients/Cash Deposit/ Any income/ interest	Money receipt no.	XXX	XXX	00/00/00	Cash withdraw/ Interest/ Charge/ Expense/	Voucher no.	XXX	XXX

Clients' ledger book

Clients' ledger book is maintained to keep the record of clients' transaction history. If goods are sold on account to the clients, that recorded with the bill number. Clients' ledger book shows the number of clients, total due outstanding as well as a particular client's total due, last date of payment, total advance sales and so on.

Date	Particular	Folio no.	Dr	Cr	Balance
00/00/00	Sales/ Return/ Bank/ Cash	Receipt no./ bill no.	XXXX	XXXX	XXXX

General ledger book

General ledger book has huge number of accounts head. Most of those are expense of the organization. Usually conveyance, office maintenance, rent, bill, legal fees, entertainment advertisement, salary, tax account recorded in this ledger book. In addition, there is also sales account which is the control ledger, under this ledger cash sale and on account sales are maintained. Furthermore, purchase account is also a control ledger under which local purchase and Import purchase recorded by the organization.

XXX A/C

Date	Particular	Folio No.	Dr	Cr	Balance
00/00/00	Cash/ Bank	Voucher no.	XXX		XXX

Customized software

There is customized software in the organization to maintain their account. Though, I hardly found anyone to work with this software. The software is limited use only, to illustrate, it cannot record general ledger book's account head but it is useful for maintaining cash book only. As a result the software lost its importance. In contrast, I felt myself there are lack of professional person to operate this software otherwise the limitation of the software might be outweigh compared to the advantage of using this software.

Cheque register book

Medi Rome Ltd maintain Cheque register book which has very significant role. This book record the information regarding cheque received from clients'. In this register book it is found the date of cheque received, client name, bank name and cheque number, amount of taka, drawing date, expired date. In addition, this book can inform account management department regarding total number of cheque, total amount in taka, number of cash cheque, expired cheque as well as invalid cheque.

Monthly report

Monthly report shows the expenses and received money from any sources. Monthly report made on the basis of cash book, bank book and general ledger book. Monthly report is essential in the end of every month's financial meeting.

Financial statement

Financial statements reflect the collection, tabulation, and the final summarization of the accounting date. Four statements are involved:

1. Balance sheet
2. Income statement
3. Statement of cash flows and
4. Statement of retained earnings

Balance sheet shows the financial condition of the company at the end of the period whereas income statement measures the results of operation during the period. Then, the statement of cash follows reports the cash provided and used by operating, investigating and financial activities during the period. Finally, the statement of retained earnings reconciles the balance of the retained earnings account from the beginning to the end.

Analysis

Predicament

The accounting cycle is well followed in Medi Rome Ltd. According to my perception, there are some difficulties, to some extent, Medi Rome ltd dose not prepare trial balance. Trial balance is a list of all open accounts in the ledger and their balances. A trial balance should be taken immediately after all adjustment have been posted is called adjusted trial balance. As a result, preparing financial statement and auditing takes long time and it is a laborious work in Medi Rome Ltd. If Medi Rome Ltd prepares trial balance, adjusted trial balance, after closing trial balance then the total work time could be shorter and inexpensive.

As like as other traditional organization, Medi Rome Ltd keeps transaction records in cash basis. Cash basis accounting is easier to maintain as well as easier to understand whereas cash basis accounting has a lot of limitations. By cash basis accounting, it is difficult to find out net income in a certain period of time, because, the determination of income on the cash basis rests upon the collection of revenue and the payment of expense. Furthermore, under the cash basis, the revenue recognition and the matching principle are overlooked. In nutshell, cash basis financial statements are not in obedience with generally accepted accounting principles.

Recommendations

Working at Medi Rome Ltd, Corporate Office was a great experience for me. I have learnt many things throughout my internship period. From my little knowledge what I have some recommendations as follows:

Medi Rome Ltd have a very few employee at account management department whereas the work pressure is high. So the department could increase their workforce and share the work together. Secondly, to increase the rate of work efficiency they need faster computer with user friendly operating system. There is customized accounting software in the organization which is not beneficial. The company should update or add more features in that software and appoint a professional operator so that it might save time, money, labor and execute an impact for the long run.

Conclusion

Medi Rome Ltd. is a leading edge medical equipments company. Medi Rome Ltd is also one of the largest diagnostic equipments importers in Bangladesh. This was an added challenge to all the accounting staffs as the listing the accountability of the organization has gained a higher reach. The Accounts department took the challenge and proved their spirit by the timely publication of yearly Annual Financial Reports. Each and every section in the department deserves to be complemented. In this report, I have tried my level best to identify management accounting technique and procedures used by Medi Rome Ltd. What and how Medi Rome Ltd use accounting information for decision making and external financial reporting along with describing the procedure and systems of using accounting information. In this report, I imply our acquired knowledge from accounting course and try to comply with the techniques procedure and systems followed by the company.

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