

Report On
The activities of managing finances under financial constraints:
The case of Mechanic Koi Pvt. Ltd.

By

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An internship report submitted to the BRAC Business School in partial fulfillment of the requirements for the degree of Bachelor of Business Administration.

BRAC Business School
BRAC University
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Declaration

It is hereby declared that

1. The internship report submitted is my/our own original work while completing degree at BRAC University.
2. The report does not contain material previously published or written by a third party, except where this is appropriately cited through full and accurate referencing.
3. The report does not contain material which has been accepted, or submitted, for any other degree or diploma at a university or other institution.
4. I/We have acknowledged all main sources of help.

Student's Full Name and Signature:



_____ **K.G. Sudip Sarker** _____

Student ID 16304027

Supervisor's Full Name and Signature:



_____ **Naimur Rahman Rahee** _____

Director

Mechanic Koi Pvt. Ltd.

Letter of Transmittal

August 31, 2021.

Saif Hossain

Assistant Professor and

Director (BBA Program)

BRAC Business School.

BRAC University

66 Mohakhali, Dhaka-1212

Subject: **Letter of Transmittal for term paper.**

Dear Sir,

It is a great pleasure for me to hand over the consequence of my hardship based on topic that I have chosen for my internship “**The activities of managing finances under financial constraints: The case of Mechanic Koi Pvt. Ltd.**”.

I have done my best to make every effort to prepare this paper. I did primary and secondary research for this term paper. I have been looking a lot to collect information, and I have done my best to get deeper into this subject so that the results look more meaningful and credible. I am thankful for your continuing support throughout the semester. While I have tried to do my utmost, it is very possible that there will be some unintended errors in the study. Once again, I would be grateful if you would please offer your judicious advice on effort.

I have attempted my best to finish the report with the essential data and recommended proposition in a significant compact and comprehensive manner as possible.

I trust that the report will meet the desires.

Sincerely yours,

K.G. Sudip Sarker

ID. 16304027

BRAC Business School

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Non-Disclosure Agreement

[This page is for Non-Disclosure Agreement between the Company and The Student]

This agreement is made and entered into by and between **Mechanic Koi Pvt. Ltd.** and the undersigned student at BRAC University.

A handwritten signature in black ink, appearing to read "Sudip". The signature is written in a cursive style with a large loop at the end.A handwritten signature in black ink, appearing to read "Rob". The signature is written in a cursive style with a long horizontal stroke at the end.

Acknowledgement

I'd want to convey my heartfelt gratitude to my advisor, Mr. Saif Hossain, Assistant Professor and Director (BBA Program), BRAC Business School for his ongoing support of my internship studies, as well as his patience, inspiration, passion, and outstanding competence. Then I would like to thank **Mechanic Koi Pvt. Ltd** for offering me such a great internship opportunity and explore new things day by day. I'd want to thank my colleagues for assisting me in gathering information, as well as all of the other participants who took the time to complete my report.

Executive Summary

I have done with my internship in Mechanic Koi Pvt. Ltd. An online based automobile service provider company who provide services to the automobile owners and users for any problems and issues regarding automobiles through online helpline or app.

This report aims to provide an overview on the financial constraints that Mechanic Koi Pvt. Ltd is facing in this early age and its solutions. As well as the performance analysis and investment efficiency. And throughout the entire internship report I will go over my internship period, the company profile, SWAT analysis and finally the topic. Finally, I feel that the findings of this study will assist many consumer and beneficiaries in learning more about their questions.

Financial Constraints in early age; Solution gateway; Investment utilization efficiency; Financial position and performance analyzation.

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Origin of the Report

The internship report is the most important and first professional stage for a BBA student. This is the four-month professional program and within this four month they provide the best learning opportunity about the business and teach the adoptability in the real life workplace. They train us, assign us and make us fit for the job and corporate life. The learning outcome of an intern can make them confident and professional for the future. This is the ultimate stage where you can start to relate the theoretical learning in a professional sector. I have been started my internship at Mechanic Koi Pvt. Ltd, DIT road, West Rampura, Dhaka on May 30, 2021 and will be finished on September 10, 2021. In this report I am focusing on the accounting activities and financial decision making to overcome the financial constraints of Mechanic Koi Pvt. Ltd.

Chapter: One

Overview of Internship

My Job Profile

I was an Intern in Mechanic Koi Pvt. Ltd. I was assigned directly in the accounts and finance department which was directly monitored by the company CEO. There were two other accountants in this department. They helped me a lot in my entire internship period. First week of my joining as an intern was a training period for me. They practically show me how to work in a corporate stage. Told me about the financial constraints in which they are going through. How to manage funds, how to utilize them effectively and efficiently. Managing a startup in this recent years is much more difficult to run. And managing funds or minimizing cost is more difficult to handle. They also taught me how they utilize the investment and measuring the financial position. After the first week I was started working on these site and trying to learn more by interviewing more about growing situation of the company and partially monitored the financial responsibilities that they assigned to me. Basically the service revenue earning recording and cost recording and make a report on a monthly basis. Overall the job is designed there as a way so that an intern can learn top to bottom about a startup business and its pros and cons. Apart from that the working environment and the supportive colleague/instructors were blessing for me. I feel very glad to being a part of that company as an intern and the learning opportunity they provide me was beyond description.

Internship Outcome:

During the four months of internship period I have learned a lot of practical thing that I can apply in my future job life or any other business development section. It makes me fit to face any real life problems. I can be able to prepare a company's full financial budgeting and decision making. Now I got a clear knowledge about the obstacles that can be raised to start a business organization and can be confidently face the problems. Even I have handled many decision making process and financial disbursement procedures. I have prepared the financial statements of the company and that was accepted with minimum change in financial data. Overall it gives me an effective experience for my future career choice.

Chapter: Two

Organization Part

Organization Profile

Mechanic Koi Pvt. Ltd. is a private limited company founded in 2017. It provides 360-degree vehicle solution and provide emergency support to any vehicle facing on road turbulence. It is one of the fastest market graving start up firm in Bangladesh. From the very beginning Mechanic Koi Pvt. Ltd. started with a very narrow service segments but now they are expanding their business rapidly and adding more service segments. In present, they are providing their service all over the Dhaka city and they are planning to expend it Chittagong and many more renowned cities in Bangladesh.

From the beginning of Mechanic Koi Pvt. Ltd. Mr. Alvi Rahman, the founding member and the chairman and CEO of Mechanic Koi Pvt. Ltd providing the best for the betterment of the company. Beside this Mr. Naimur Rahman Rahee, the Director of the company also trying to make the technical side problem free for better performance. In my fourth month internship

period my reporting boss and supervisor was Mr. Naimur Rahman Rahee. He was a very friendly, helpful and cooperative person. He taught me a lot, shared many financial and non-financial things with me and supported me in any problem and quarries I have faced in my entire internship period. Beside this Mr. Ashfaque Ahmed, the HR executive is also very helpful and cooperative for me. He coordinates my consistency and supported me in the absence of my supervisor.

Mission and Vision:

According to the CEO statement of Mechanic Koi Pvt. Ltd. The company is running with its own goals. It has a separate mission and vision. Which is

Mission: To be your roadside best friend.

Vision: Pioneer of changes in automobile industries in Bangladesh.

Offered Services:

1. Vehicle repair services. (Service Code: MKPL1701)
2. Vehicle Loan formalities solution. (Service Code: MKPL1801)
3. Reselling. (Service Code: MKPL1702)
4. Vehicle Documentation. (Service Code: MKPL1802)
5. Fitness management. (Service Code: MKPL1703)
6. Vehicle spare parts. (Service Code: MKPL1704)
7. Driver booking. (Service Code: MKPL1902)
8. Rent a car. (Service Code: MKPL1901)

Beside this they are working on introducing two new service-

1. Solar panel installation on medium and large vehicle
2. Bike ambulance.

Mechanic Koi Pvt. Ltd is offering 360-degree automobile service to customers and the owner or user. They are trying to solve any type of problem facing by the user. After all they are the best friend on your road side vehicle problems.

Operational Network/ Organogram:

Company Structure:

Mechanic Koi Pvt. Ltd is a registered private limited company under the Company Act 1994. It is established in 2017 with a very few amount of members. But within three years they increased their stakeholders and now there are more than 35 members are running the company. The members are given enough duties and responsibilities to run the company. There is a 6 members governing body and the full control of the company is in their hand. There are 29 employees and they are assigned in different sector within the company and Mechanic Koi Pvt. Ltd is always trying to empower their employees through any kind of support. But the decision making and finalization of any decision come from the governing body. There are 4 different departments is serving this company from the beginning to till now.

Marketing Department:

For each and every startup or stable company marketing department is the first priority to let the targeted customer know about their existent and support services. Mechanic Koi Pvt. Ltd has also a marketing department and their duty and responsibility is to make customer aware about their services. This company is working with an innovative idea of automobile servicing in a 360-degree basis. So the marketing department is easily graving their market and getting popularity rapidly.

HR and Admin Department:

In Mechanic Koi Pvt. Ltd, HR and Admin department is the most prioritized department. Here Mr. SM Sazzad Bin Kamal, one of the founding member and the member of the governing body personally leading and monitoring this department. The duty and responsibility of this department is to coordinate the proper competition of work assigned to each and every employee in the company. Beside this monitor the productivity, motivate where needed and arranges training service for the new and old employees as well. Their main duty is recruiting employees and interns and monitor them properly and support them when there is a need.

Customer Service and support Department:

Mechanic Koi Pvt. Ltd is an online based automobile service and support provider company, so customer support and service team plays a very important role in this company. The company Director Mr. Naimur Rahee specially monitor the team personally. Any time any type of call or asking support on app should be received by this team and instantly provide support to them. This is the busiest team in this company so far.

Accounts and Finance Department:

Accounts and finance department is the most sensitive department in this company. So this department personally monitored by the Director Mr. Naimur Rahman. As a startup company the most important thing is managing the funds and use them in an appropriate, efficient and productive way. The initial investment they received from The ICT Division of Bangladesh and then they started working on their idea. After that they introduced different types of service segment and invest the amount in decentralized manner. I was assigned in this department as an intern and have the experience to see the struggle of the accounts department regarding financial constraints and financial budgeting.

SWOT Analysis

SWOT analysis is the analysis of the company's strength, weakness, opportunity and weakness. Through this analysis the company may know which side they need to improve and how much they need to improve. As a startup company Mechanic Koi Pvt. Ltd has a lots of weakness and threats but they are trying to their best to improve and overcome these.

Strength:

- ✓ **Innovative idea.**
- ✓ **24/7 excellent client service**
- ✓ **Friendly and supportive work environment.**
- ✓ **Lots of service segments.**
- ✓ **Good bonding with existing customers.**

Weakness:

- ✘ **Lack of financial support.**
- ✘ **Low employee retention.**
- ✘ **Low marketing and advertisement.**
- ✘ **Lack of experienced employee.**

Opportunity:

- ❖ **Increase the service all over Bangladesh.**
- ❖ **Quality assurance and customer satisfaction.**
- ❖ **More services segment addition.**
- ❖ **Rapidly growing customer awareness and popularity.**

Threats:

- **Lots of automobile service center here and there.**
- **Competitive market with government imposed regulation, VAT and TAX.**

PESTEL Analysis

PESTEL analysis is an organizations external environment analysis which shows how the organization is surviving against it external forces. PESTEL analysis usually tells about the Political, Economic, Social, Technological, Environmental and Legal forces. Mechanic Koi Pvt. Ltd. is a fast growing company and it has to face a lots of external issues throughout its lifetime. The PESTEL analysis of Mechanic Koi Pvt. Ltd is as below.

- **Political:** The political environment of Bangladesh is stable enough so establishment of the company was not so tough at all. But here the corruption rate is high and the government policy, VAT and TAX rate is high. Which creates a lot of problem for a startup company like Mechanic Koi Pvt. Ltd. Beside this, there were many restrictions in foreign trade but fortunately this company do not have to face those issues as they run their company inside the country.
- **Economic:** In this part of analysis the main focus of the company is its economic growth. As a startup company the economic growth of Mechanic Koi Pvt. Ltd is moderate. During the COVID19 pandemic the economic growth of the company was being reduced because of long-term lockdown. Even the country GDP growth is increased even in this situation.
- **Social:** Bangladesh is a country of vast population and the growth rate of the population is also very high in this country. But most of the people nowadays is very much career oriented and a good lifestyle seeker. So it's a great opportunity for the company as they help people to lead a better lifestyle with safe and sound vehicles.
- **Technological:** In a technologically growing country, a technology based company like Mechanic Koi Pvt. Ltd has a lots of great aspects for them. Bangladesh is trying to be fully digitalized and automated. So the company is getting much external support from government ICT division. And they bring a change in automobile sector which is really appreciated.

- **Environmental:** From the environmental aspects like weather and climate and its policies is favorable till now. There is no weather or climate change issues arises yet. The activities of Mechanic Koi Pvt. Ltd is not against the environment. Even its environmentally viable and supportive.
- **Legal:** The legal procedures of Bangladesh are very much slow. So the company had to face a lots of problems for the documentation at its beginning. Even now they are bound a lots of legal issues like employment laws, consumer protection laws, copyright and patent laws, health and safety laws etc.

Chapter: Three

Observation and Outcome

Introduction:

Internship is always a new experience for an undergraduate student. In this period of internship, they learn and see the corporate or non-corporate job life practically. It was also a same experience for me. In the very first day of my intern life each and every member of the company accepted me gladly. I joined Mechanic Koi Pvt. Ltd with a clear focus that I have to learn and experience each and every part of the company. And Mechanic Koi was that much helpful and friendly that I didn't feel that much problem to access and learn. I was assigned as an Accounting intern in Accounts department. Where my supervisor was Mr. Naimur Rahman Rahee, The Director and founding member of Mechanic Koi Pvt. Ltd. As a startup Business Mechanic Koi is Facing a lots of issues regarding fund management and investment disbursement. Firstly, I was told to help on this fund management issues and support the other accounts related job like Service recording. Beside this I helped on making a capital disbursement model to ensure the efficiency. Lastly I used to work on financial report making and performance measurement of Mechanic koi Pvt. Ltd. Overall they have a broad service and solution provider for automobile sector and I worked as a part to make their accounts department more detailed and informative.

Topic Description

Topic: “The Activities of managing finances under financial constraints: The case of Mechanic Koi Pvt. Ltd.”

Based on the activities of Accounts Department of Mechanic Koi Pvt. Ltd.

Report Objectives:

After successfully completing the internship I got the topic approved and my topic is “The activities of managing finances under financial constraints: The case of Mechanic Koi Pvt. Ltd. Where the objective of the report is –

1. To understand the financial crisis based on the early age.
2. To understand the solution gateway and method to overcome the financial constraints.
3. To analyze the efficiency of utilizing investments.
4. To understand the financial position and performance of Mechanic Koi Pvt. Ltd.

From the areas they assigned me and my learning outcome I will describe these objectives and share my knowledge on this area. I tried as much as best I could do to perform my responsibility they assigned.

Methodology: In my full internship period I was assigned some duties and responsibilities to accomplish. For the accomplishment of my responsibilities I had to discuss with my supervisor about the financial constraints in early age and the steps they have taken to solve this problem. And for the proper utilization of investment I had to find out the scope where we have to invest for the better return and generate profit. For this action I had to make an initial capital budgeting to distribute the costs in segment wise service. Finally, to understand the financial position and performance of Mechanic Koi Pvt. Ltd I had to prepare a monthly detailed financial statement and ratio analysis. Beside this my learning from university courses and support from the website and colleague helped me a lot. These was all the methodology I have used to accomplish the objectives of my report and serve the company.

Accounting Practice in Mechanic Koi Pvt. Ltd.

Mechanic Koi Pvt. Ltd is a Bangladeshi fast growing automobile service provider company. They came with a very different idea, mission and vision. For the growth of the company they need to maintain their accounts department in a very important and effective manner. Their accounting department is the most organized and sensitive department in the company. They try to customer satisfaction with profit earning policy. Their department hierarchy is, Head of the department Mr. Naimur Rahman (Director). He is the one, to whom everyone is bound to report. Under him there is a Chief Accountant. And under the Chief Accountant, there were two Assistant Accountant and two Intern.

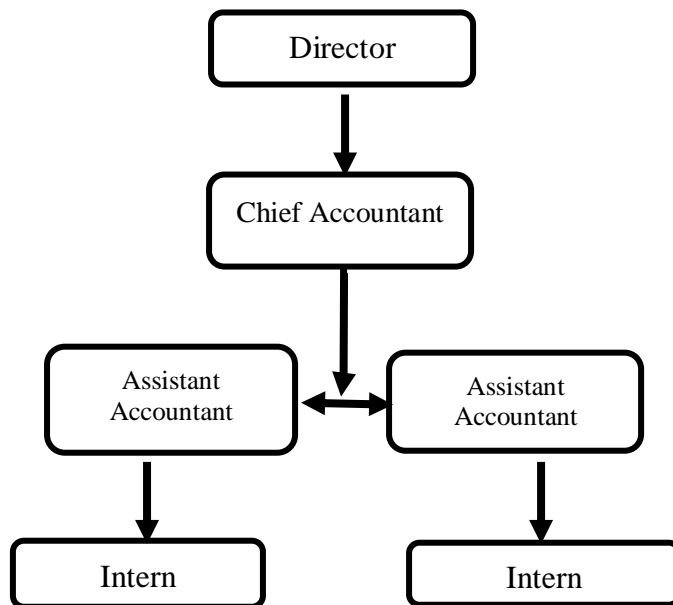


Table 1. Accounts Department Hierarchy.

This is the job hierarchy of Accounts department of Mechanic Koi Pvt. Ltd. They follow this hierarchy wise job responsibilities. They always try to keep two Intern for the help of Assistant Accountant. These two Assistant keep all accounts book and make it ready for the Chief Accountant. Then Chief Accountant check those find out the problems and solve them. After the duty accomplished by the chief Accountant they finally submit the final report to the Director.

This department work on every accounts and financial related sector where the company is involved. From the investment or loan proposal letter to the financial statement and performance measurement. Within this, there were daily transection recording, classified them as the service segments, prepare bank statements, cash book recording and maintaining, financial statement making and finally performance analysis through ratio analysis. As an intern I had to work on almost every type of duties. But mainly they assigned me in loan or fund management proposal letter making, total fund disbursement based on the company segment wise ratio, final account generation and finally ratio analysis.

Investment management and proposal:

For a startup company, managing investment is a very tough work for the company management. In 2017, when Mechanic Koi Pvt. Ltd was started they first got the initial fund from ICT Division of Bangladesh for the business idea of Mechanic Koi Pvt. Ltd. But running a startup business with full time employees was creating issues on funding. Even after the Covid-19 pandemic the situation was going worse than before. So they are now being a little bit dependable on loan or investment from others. Mechanic Koi Pvt. Ltd is a struggling company. They are earning around breakeven point. But sometime they have to face problem recently. The lockdown situation and international pandemic situation it became so tough to continue. In this time, I joined them as an intern and on that time their main topic of concern was to sustain and manage somehow to run the company. So they started investing personal fund. But these couldn't help the company enough. Finally, they decided to searching investors. But no one was really interested to invest such a startup. So they had to go to the bank for business loan.

Managing fund or business loan was not so easy to get. There was a lot of time and formalities they had to maintain to get the loan. They applied in NRB bank for a **NRB Young Entrepreneur loan** for BDT-500000. The advantages of this type of loan is, there is no business experience required for the loan and there was loan processing fee applied. A person ages over 22 to 45 can easily get NRB Young Entrepreneur Loan with performing some formalities.

NRB Young Entrepreneur Loan is two types.

- 1. Secured Loan:** For this type of loan they need to keep something as the security of the loan. This loan amount will be BDT 500000 to 1500000.
- 2. Unsecured Loan:** For this type of loan they don't need to keep anything as the security of the loan. As this type of situation the bank doesn't keep any security so the loan amount is comparatively low than the secured loan. This loan amount will be BDT 50000 to 500000.

As they need BDT 500000 loan, so they applied for unsecured loan.

Documentation and Proposal for Fund:

With a very low formalities NRB Bank ask for some minimum documents for the loan. As Mechanic Koi Pvt. Ltd is well established startup company and running since 2017 they already had all the documents needed for the loan. The required documents were as follows-

- 1.** The projected or annual report of the company where the annual profit must be higher than total of annual installments.
- 2.** The company have to have a bank account on company name but the turnover is not necessary.
- 3.** Age of key person of the company have to be between 22 to 45 years.
- 4.** A copy of company registration certificate.

With these documents any governing body member need to go to the NRB bank for loan along with the Business Loan proposal letter. Then the bank will start their formalities and procedures to cross check and do some enquiry if needed. If everything is ok, then the company will get the loan as soon as the formalities will be over. But the bank will not pay it in cash, rather they will credit the amount of loan to the company bank account.

Bank loan proposal letter is a very important and sensitive responsibility I have made in Mechanic Koi Pvt. Ltd. This proposal letter actually shows that how much eligible the company is for this loan. I have made the initial draft application for the NRB Young Entrepreneur Loan.

Then it was checked by the Assistant Accountant and he made some correction on the presence of me. Then he forwards the proposal letter to the chief accountant for the final checking and then he also added something very important and deduct something also. After that he forwarded the letter to the Director and issued as ready to apply for loan.

Proposal Letter

Mechanic Koi Pvt. Ltd.

July 1, 2021

The Manager

NRB Bank Limited

Simpletree Anarkali, 89 Gulshan Ave.

Dhaka 1212

Subject: NRB Young Entrepreneur Loan request for 500000 BDT.

Dear sir,

We are requesting for the loan of BDT 500000 for the expansion and betterment of my business. Our company is Mechanic Koi Pvt. Ltd is a Bangladeshi startup firm founded in 2017. We are one of the highly growing company in Bangladesh. We have three years of experience with lots of positive aspects. We have broad service line where we try to provide the service in unexpected situation for automobile users. So in this situation we think we should introduce our new service and that's why we need a lone for the execution of our plan.

Our plan to invest this BDT 500000 in a new but very effective business idea where we will install solar panel on the top of some medium to heavy vehicles to generate power in a ecofriendly way and use this power for the betterment of vehicle performance. We have done with some of our experiment and the result was highly satisfactory. Hopefully we can grab the market as an ecofriendly and profitable power supply system.

Hope you will consider our need and help us allowing the expected amount of loan. We are attaching the required documents for father queries. (Attached required Documents copy).

As an intern, I prepared this proposal letter for the company. After some correction the director approved it for the submission of the loan. Attaching some necessary documents, the company submit it to the bank for NRB Young Entrepreneur loan. Within few days the company got the loan and solve their funding issues.

Profit reinvestment: Mechanic Koi Pvt. Ltd decided to reinvest their profit to minimize the investment crisis and financial constraints. From 2017 they are providing service in a large number. So they also earning profit from there. But in recent years when they are facing issues regarding financial problem during Covid-19, they took decision of reinvesting the yearly net profit for the next year business expansion or for introducing new service segment.

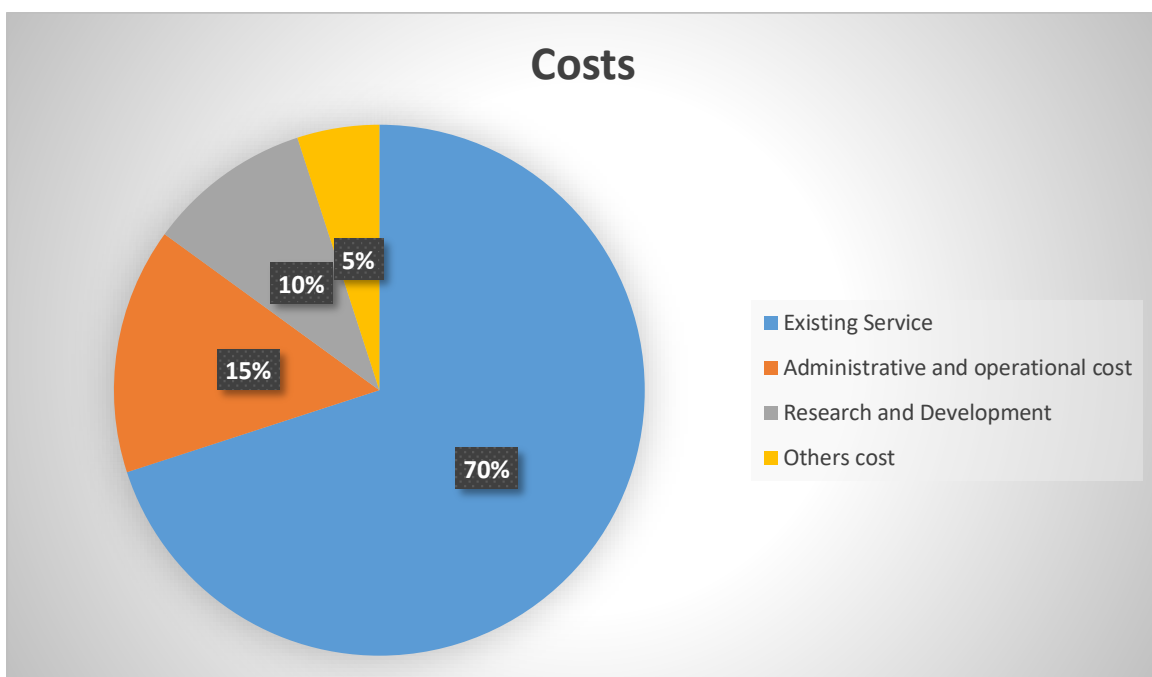
These are the whole process they followed to overcome the financial constraints in early years.

Investment Disbursements

Investment allocation and disbursement is a major decision making process for a business who has different products and service segments. Apart from the service segments there were a lots of area where the company need to expend funds and earnings. There were operational and nonoperational costs as well. The company needs to invest funds for the expansion of the business. Beside this there were salary of employees and lots of operational costs they need to cover. Company allocate an amount of funds for their operational costs and others costs except their service sector. Normally this amount is one fourth of the total funds. The existing services takes around 70% of total fund. From rest 25%, Around 15% goes to salary, operational and administrative cost disbursements and rest goes to the research and development of new idea and services which is upcoming and others costs.

No	Area of investment	Percentage
1	Existing service	70%
2	Administrative and operational costs	15%
3	Research and Development	10%
4	Other Costs	5%

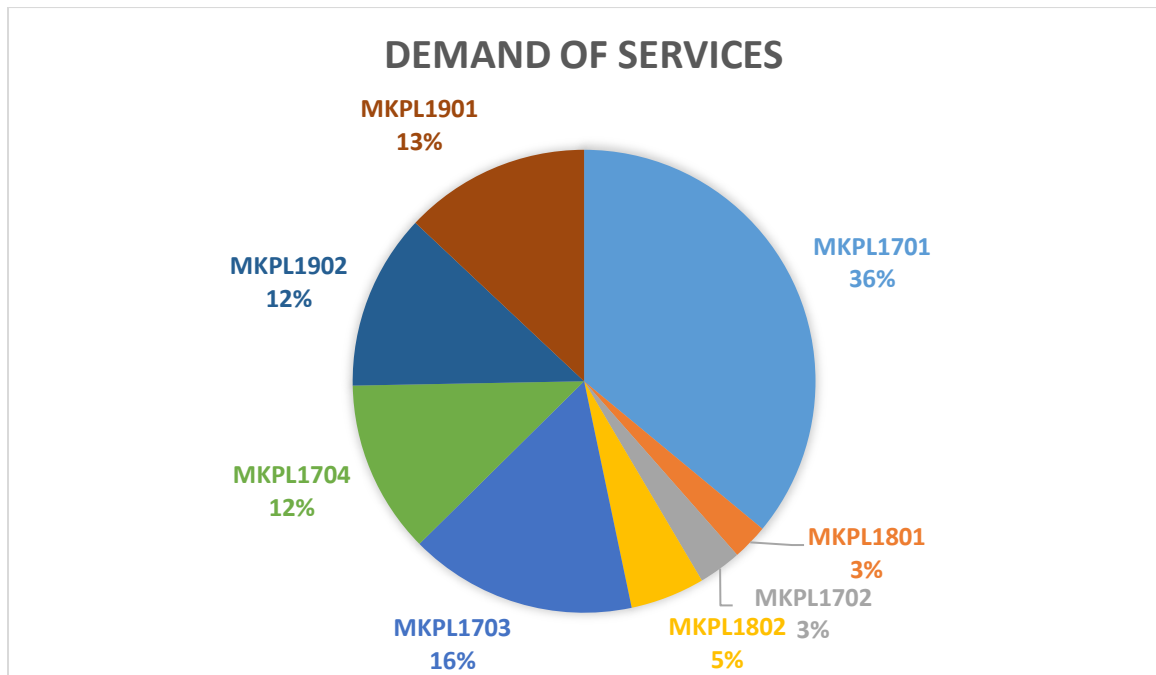
Table 2. Area of Investment Table



Mechanic Koi Pvt. Ltd is a startup company but they have different types of service segments. They allocate their investment according the return percentage and improvement process of service. Mechanic Koi Pvt. Ltd has around eight types of services. In the first year of their startup they came up with a very small service segments and allocate the fund based on the need and demand of the services. But in recent year they got a clear knowledge about which service need more investments and which service need less. So based on the total amount allocated for existing services, their demand of services according to the last year was-

No	Service Name	Service Code	Demand
1	Vehicle repair services.	MKPL1701	36%
2	Vehicle Loan formalities solution.	MKPL1801	2.5%
3	Reselling.	MKPL1702	3%
4	Vehicle Documentation.	MKPL1802	5.2%
5	Fitness management.	MKPL1703	15.9%
6	Vehicle spare parts.	MKPL1704	12.1%
7	Driver booking.	MKPL1902	12.3%
8	Rent a car.	MKPL1901	13%

Table 3. Service Demand data of Mechanic Koi Pvt. Ltd.



Mechanic Koi Pvt. Ltd use the majority of their earnings and funds to their existing services and use a very narrow amount to their research and development for upcoming services. The Pie Chart shows the nearest round figure of the data.

Reasoning of Disbursement:

Investment or fund disbursement is a major topic of concern for the accounts department. A company can distribute their funds in many ways. But Mechanic Koi Pvt. Ltd used to follow the demand based disbursement process for the company. The reason behind this disbursement process is whenever a segment of services demands for more service they get more funding's from the company. Therefore, they don't need to face such a problem where a demandable service is under funds crisis where a service which have very low demand remains high funds. If the demand increases, the supply of fund will automatically increase as well.

Recording and Classifying:

Recording and classifying is one of the most important part of daily accounting practice of Mechanic Koi Pvt. Ltd. As it provides services, they always try to make a clear and well organized recording book where they can record their daily transection and service revenue including costs in a well-organized manner.

Financial Statements and Performance Analysis

Financial statement is the statement of company accounts where the report shows the overall company summary of financial data. It consists all types of accounts in it. For any company or registered business organization, this financial statement is must. In Mechanic Koi Pvt. Ltd the accounts department intern was told to maintain a monthly basis financial statements to follow up the monthly performance of the company. There were 4 statements involved in a financial statement.

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

Income statement: Income statement shows the company net income for a period of time. Every company or business organization prepare an income statement to know the net profit or loss of the business after an accounting period. This statement involves all the revenue and all types of costs incurred in the accounting period. The company prepare it as a fiscal year basis. Two assistant accountant and the chief accountant is responsible to prepare this statement for the company.

Mechanic Koi Pvt. Ltd.

Income Statement

Date: --/--/----

Accounts Name / Details	TK	TK
Service Revenue		XXX
(-) Cost of Goods Sold		XXX
Gross Profit:		XXX
(-) Operating Expenses:		
Selling Expense	XXX	
Administrative Expense	XXX	XXX
Income Before Tax		XXX
(-) Income Tax		XXX
Net Profit:		XXX

Table 4. Income statement

Balance sheet: A balance sheet statement is a part of financial statement which shows the total assets and total liabilities of the company for an accounting period. Every company prepare it for their accounting or financial report. It shows the valuation of assets and liabilities. It is also known as statement of financial position. Whatever the company type is, they need a balance sheet for end of the year. Mechanic Koi Pvt. Ltd is also a company and they have to prepare a balance sheet also. The accounts department prepare the balance sheet statement for the company.

Mechanic Koi Pvt. Ltd.
Statement of Balance Sheet
Date: --/--/----

Accounts Name / Details	TK	TK
Assets:		
Current Assets	XXX	
Fixed Assets / Property, Land and Equipment	XXX	
Intangible Assets	XXX	
Total Assets		XXX
Liabilities:		
Current liabilities	XXX	
Long Term liabilities	XXX	
Total Liabilities		XXX
Owners' Equity:		
Equity Capital	XXX	
Retained earning	XXX	
Total Equity:		XXX
Total Liabilities and Equity:		XXX

Table 5. Statement of Balance sheet

We the inters were supposed to prepared this in a monthly basis for the company. So that the company can be up to date about their financial position in each and every month.

Cash Flow Statement: A cash flow statement is a part of financial statement. It shows how much cash and cash equivalents are coming in and going out of a business. The cash flow statement evaluates how well a company manages its financial situation and how well it generates cash to meet debt obligations and financial operating expenses. This statement shows the liquidity of financial ability of the company. There are three types of cash incoming and outgoing takes place in a business. These all three types have to add differently and in a classified way in company cash flow statement. Which is-

1. Cash flow from Operating activities
2. Cash flow from Investing activities
3. Cash flow from Financing activities.

Cash flow from Operating activities: Cash flow from Operating activities shows the cash outgoing and incoming from regular activities. Such as whenever the company provide services to its customer, the company is getting money from them. It is a cash inflow from operational activities. On the other hand, whenever the company purchasing some office supplies then the cash outflow occurs from operating activities.

Cash flow from Investing activities: Cash flow from Investing activities shows the cash outgoing and incoming from any investment types of activities. Such as whenever the company is selling their unnecessary and old type of equipment then the company is getting money from them. It is a cash inflow from investing activities. As like as, whenever the company purchasing any equipment or fixed assets then the cash outflow occurs from investing activities.

Cash flow from Financing activities: Cash flow from financing activities shows the cash outgoing and incoming from any investment types of activities. Such as debt, equity and dividend related cash incoming and outgoing activities.

Mechanic Koi Pvt. Ltd.

Cash Flow Statement

Date: --/--/----

Accounts Name/Details	Tk	Tk
Cash Flow from Operating activities:		
Cash Incoming	XXX	
(-) Cash Outgoing	XXX	
[Should be generated from Operating Activities]		
Net Cash flow from Operating Activities:		XXX
Cash Flow from Investing activities:		
Cash Incoming	XXX	
(-) Cash Outgoing	XXX	
[Should be generated from Investing activities]		
Net Cash flow from Investing activities:		XXX
Cash Flow from Financing activities:		
Cash Incoming	XXX	
(-) Cash Outgoing	XXX	
[Should be generated from Financing activities]		
Net Cash flow from Financing activities:		XXX
Net Increase/Decrease in Cash		XXX
Cash at the beginning of the accounting period		XXX
Cash at the End of the accounting period		XXX

Table 6. Cash Flow Statement

Retained Earnings Statement: The statement of retained earnings is a financial statement that shows how a company's retained earnings have changed over time. It prepares for a specific period of time containing the beginning and the ending retained earnings. Analysts use this statement to understand how company profits are used since it reconciles the starting and ending retained earnings for the period using information such as net income from other financial statements. Mechanic Koi Pvt. Ltd is preparing retained earnings statement since the second year of their company establishment. This statement is also known as Owners Equity Statement.

Mechanic Koi Pvt. Ltd.
Retained Earnings Statement
Date: --/--/----

Details	Tk
Retained Earnings at the beginning of the year	XXX
(+/-) Net income/Loss	XXX
(+/-) Dividends	XXX
Retained Earnings at the end of the period	XXX
[This will take as the Retained Earnings at the beginning of the year for next year]	

Table 7. Retained Earnings Statement

Mechanic Koi Pvt. Ltd prepares all these financial statements for the evaluation of financial condition of the year. Apart from the financial statements they prepare different types of ratio analysis for understanding the exact condition of the business.

Ratio Analysis:

Ratio analysis is the comparison data of any company. It's a quantitative method to know the performance of the company. This analysis takes information from financial statements and use that information to make transparent and easily understandable to everyone. Specifically, you can understand the performance of each and every service segments and their values through this analysis. Investor can use this ratio analysis easily and through this company can approach to get financial support from the investors. There are different types of ratio analysis exists. Mechanic Koi Pvt. Ltd also prepare ratio analysis to know and get a better view of their companies' annual financial performance. They use to prepare Liquidity Ratio, Profitability Ratio, Solvency Ratio, Turnover Ratio and Earning Ratio.

Limitations:

I got a lot of support from my respected supervisor and my colleague as well as my faculty. But there was still some point where I didn't had permission. Firstly, I could not join any meeting with the investor and for that I had to collect data from my supervisor. So I could not get as detailed as their meeting was. Secondly it was very difficult to find the solution of the financial problem where I could not seat on any meeting. Rather they told me the problem and think about that and find out the probable solution. But without knowing in details it was quit tough for me to come on a solution. And lastly the limited access of company's financial documents makes my speed of work to slow. Apart from that the company and the employees supported me wherever I need.

Chapter: Four

Recommendation and Conclusion

Recommendation: Mechanic Koi Pvt. Ltd is being popular automobile service provider in Bangladesh. Within last three to four years, they create a better value for the company. They are doing so good day by day. Service quality and consistency is literally get appreciation from the customers. I don't have much recommendation for Mechanic Koi Pvt. Ltd. But something they need to improve to get good results.

- They need to focus on their marketing and advertisements to make more customer aware about the company and service.
- Need to expand the area of service as soon as possible all over the big cities in Bangladesh.
- As a startup, they need to focus more on customer satisfaction rather making more money.
- Should focus on more innovation like solar panel installation and bike ambulance.
- For the accounting practice they should go with any accounting software like Quickbook, Zero, POS etc. rather than MS Excel based accounting practice.
- Need to be more professional and customer demand oriented service.

Conclusion: Mechanic Koi Pvt. Ltd is established and serves as the first ever online based automobile service provider in Bangladesh. They have numbers of services to satisfy the automobile owner and users all over Dhaka city. They faced a lots of financial constraints but overcome those through proper initiatives. Throughout the surviving period they maintain a proper budgeting which minimize costs and help the company to perform better. As a new platform introducer, they have a lots of opportunity to grab market and become popular all over Bangladesh. They are doing well and trying to provide customer satisfaction as much as possible. But in the recent age they are facing much financial constraints and they are overcoming the problems and situation with some smart decision. Their accounting practice system and methodology is a little bit old and backdated, but they are preparing a software to make the accounting practice more easy and user friendly. Beside this they have excellent employee friendly job environment and always prioritize the customer satisfaction at its best.

References

Books:

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3. Prentice Hall, Inc, Cost Accounting: A Managerial Approach, 12th Edition, 2007.

Websites:

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5. www.mechanickoi.com
6. <https://www.nrbbankbd.com/sme-loans>
7. <https://www.nrbbankbd.com/retail-loan/>

Interview:

8. Mr. Alvee Rahman. CEO, Mechanic Koi Pvt. Ltd.
9. Mr. Naimur Rahman. Director, Mechanic Koi Pvt. Ltd.

Appendix A.

Here is some screenshot of my activities during the internship period.

