



INTERNSHIP REPORT ON TREASURE ISLAND

ACCOUNTING SOFTWARE APPLICATION AS INTERNAL CONTROL SYSTEM AND ITS BENEFITS: CASE STUDY OF TREASURE ISLAND.

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Letter of transmittal

Date: August 31, 2016

Ms. Asphia Habib

Lecturer

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Subject: Submission of Internship Report on “Accounting Software Application as Internal Control System and Its Benefits: Case Study of Treasure Island Company”.

Dear Ma’am,

With due respect I would like to say that it is a great pleasure for me to submit my internship report titled “Accounting Software Application as Internal Control System and Its Benefits: Case Study Of Treasure Island Company” which has been prepared as a part of my BBA program requirement.

During the preparation of the report, I have tried my level best to resourceful. I believe the report will at least give you a brief picture about the topic that I have acquired the valuable experiences through this internship under your supervision.

Thank you for encouraging me through the internship period. Kindly accept my report and oblige thereby.

Sincerely yours,

Mohima Rahman

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BRAC Business School

BRAC University

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Acknowledgement

First off all, I want to thank Almighty Allah for everything. With the countless support of Almighty and parents', I have completed my three months long internship at Treasure Island and my final report of the internship has been prepared as a part of BUS400 course.

I must show my gratitude to the honorable faculty Ms. Asphia Habib, lecturer, BRAC Business School for her support and guidance during my internship.

This report has been prepared and presented to her for the assessment and final evaluation of this course.

Lastly, I want to thank Mr. Sayed Hossain Mamun, Director of Treasure Island and Mr. Pretresh Bhattacharjee, Account In charge under whose supervision I went through my internship. Simultaneously I would like to thank my other colleagues of Treasure Island who helped me to learn the real office environment.

Finally, I am grateful to BRAC University which is the reason I am standing here earning my bachelor degree successfully.

Executive Summary

This report is prepared to explain what I did and learned during my internship period at Treasure Island. As the main purpose of internship is to learn by working in practical environment and to apply the knowledge acquired during the studies in a real world scenario in order to tackle the problems using the knowledge and skill learned during the academic process.

The first part of the report shows the origin of the report, my job responsibility, the objective of the report and the limitations I have faced when I was working on this report.

The second part of the report provides a brief introduction of Treasure Island and its mission and vision.

The third part is about the FACTURA software on which my report is written. The main functions and the benefits of the software are discussed elaborately.

Lastly, I have find out some drawbacks about software and have tried to give some recommendation.

PART-01

Origin of the report

I have been assigned to this report by my course (BUS400) instructor Ashpia Habiib. My report is based on the application of accounting software as an internal control system and its benefits. The internship program helps to learn technique about business and cope up with the environment in such a way like trained employees. I was started my internship at Treasure Island, from 22nd May, and finished 22nd August, 2016.

Mission and Vision

As Treasure Island is a small manufacturing company, they have not set so many mission and vision. The mission and vision of the company is-

The mission of the company is to produce and provide high quality fabric to the buyers.

The vision of the company is to be a leading fabric manufacturer.

Objective of the report

There is a huge difference between reality and bookish knowledge. Internship program is important to develop our working knowledge by relating it to the theoretical knowledge that we learned in the completion of BBA program. Besides, it is mandatory to do the internship program for completion our graduation program from BRAC University.

The main objective of the report:

- Internship helps to understand the organization's atmosphere.
- Internship enables us to relate the theoretical knowledge with practical knowledge.
- Internship gives an intern the first time working experience.

- Internship is helping me to know about accounting software.
- Internship helps to understand how the accounts department is conducted within the organization.
- How to use accounting software.

Job Responsibility

I was working there as an intern. Firstly, I have been taught how to store the day to day accounts journals, debit vouchers, credit vouchers etc manually. After that, I have been instructed to do the basic functions of the software. I have learnt about the cash books, the L/C system, how to give entry in the software etc.

Methodology

Data of this report has been collected mainly from primary sources which are official records (files, accounting software).

Limitations of the report

During my internship, I did not visit the company's factory. So, I do not know how to store their inventory or how their productions work. Company have some privacy regarding disclosing some information in order to keep their buyer's file confidential.

In spite of all these limitations, I have tried my best to collect reliable information to write down my internship report.

PART-02

Short profile of Treasure Island

Treasure Island has started its journey on April 14, 2011. It is a sole proprietorship business. The proprietor of the business is Sayed Hossain Mamun. The registered office of the company is at Uttara, Dhaka. The main factory of Treasure Island is at Norshingdi. Treasure Island is mainly a fabric manufacturer and supplier of the fabric. The key product of Treasure Island is woven fabric, polyester, twill/herringbone, printed, yarn dyed. The company does their transaction through BB L/C and cash. The company is carrying corporate account with “Social Islami Bank”.

PART-03

FACTURA Accounting Software by EBIZ Technologies

I have been assigned to do this report and it's about accounting software. The software's name is FACTURA accounting software by EBIZ technologies. FACTURA is an important tool for operating and managing any business's accounting needs. Treasure Island pays yearly to EBIZ technologies for using their software. It is licensed software. Different organization uses different software. It depends on the business environment of the organization. Treasure Island uses FACTURA to their day to day business transaction.

Features

In the feature section, it has two categories. That are-

1. Accounts features
2. Inventory features

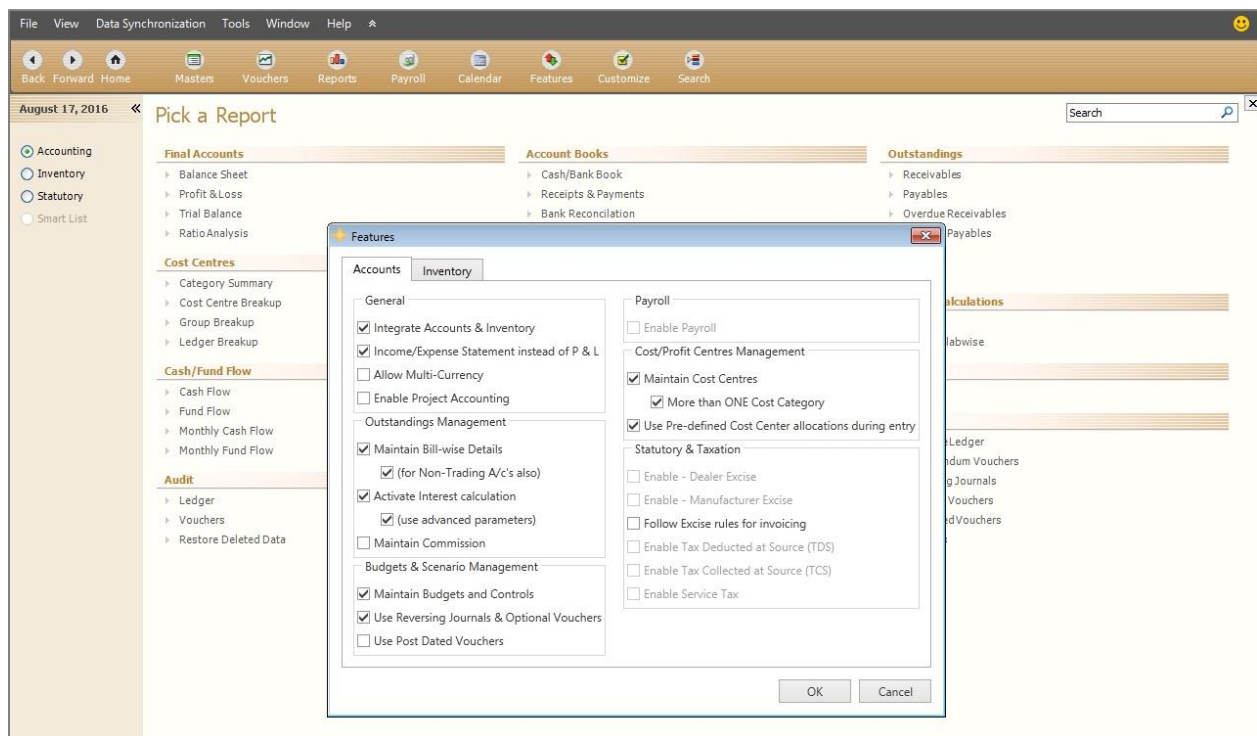


Figure: Features (Accounts)

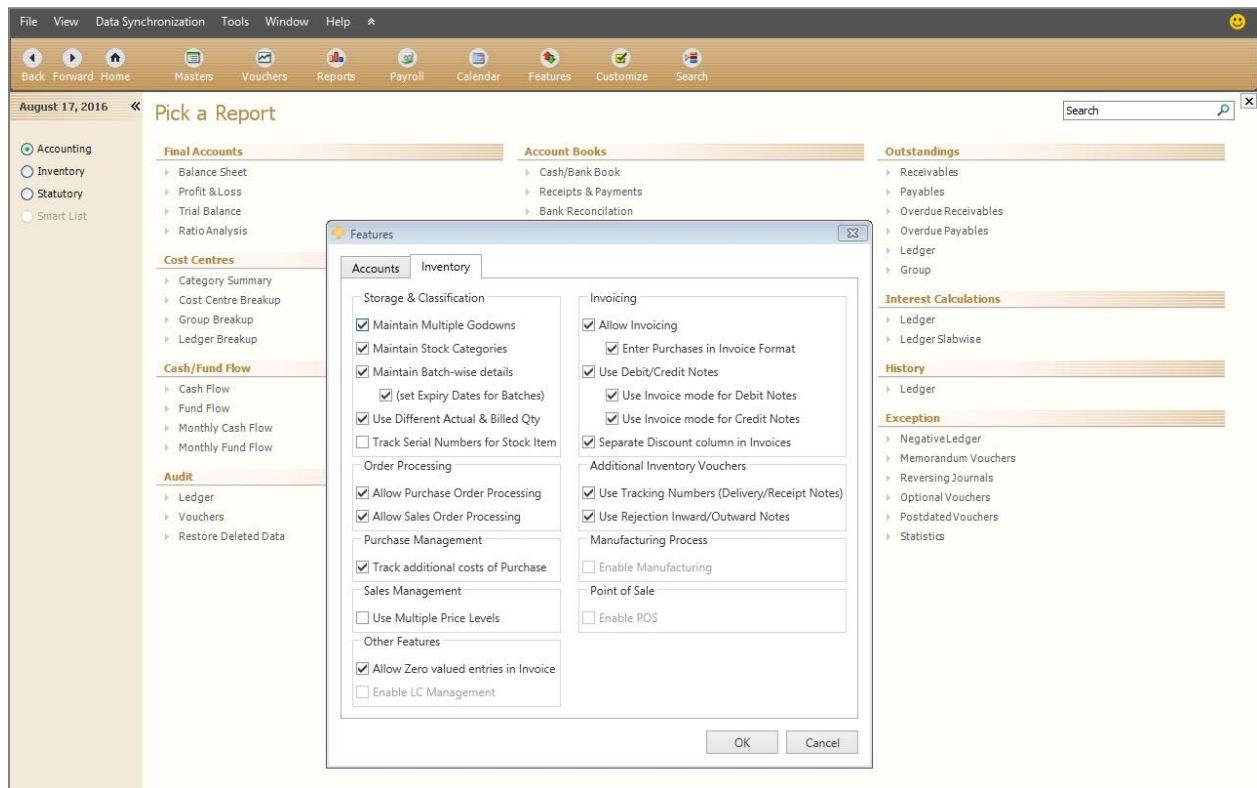


Figure: Features (Inventory)

Home Page of FACTURA

The home page of the software provides the following information:-

1. The List Of Opened Companies: Under this headline, the transactions of current year (1-Jan-2016 onwards) are being documented. If the company wants to modify its active company, they need to do it from here. On the contrary, if the company wants to close any active company, it would be done here. If a new business starts, Treasure Island will open a new account under the name of “open a company” and “create a new company”.
2. Cash Flow Summary: Here, you will get the recent cash flow summary. You will also get the information of the Total Inflow, Total Outflow and Net Flow. The software generates cash flow report automatically just by giving the journal entries.

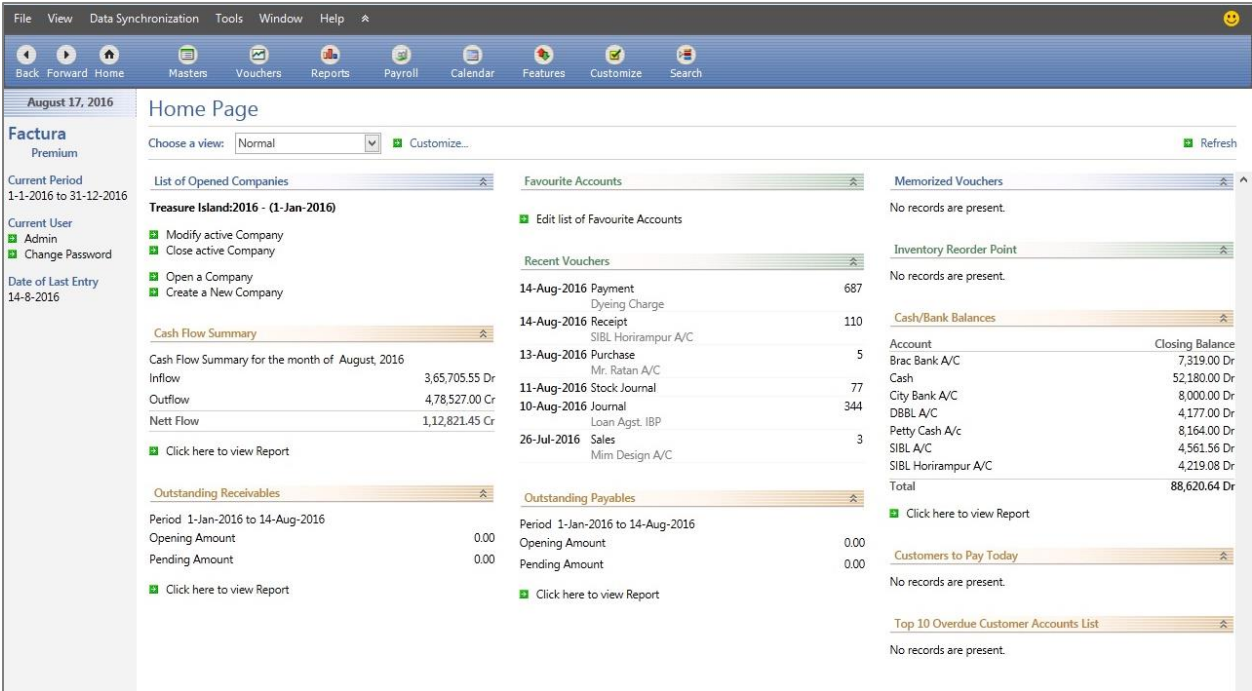


Figure: FACTURA home page

3. Outstanding Payables: Under this headline, you will get the current year's opening amount of outstanding payables and pending amount of total payables.
4. Favorite Accounts: In here, accountant can keep their favorite accounts. It can be edited. The most frequent buyers' accounts can be listed under this headline.
5. Recent Vouchers: You can find the most recent vouchers here. So, it becomes easy to an accountant to change anything.
6. Outstanding Receivables: You will get the current year's opening amount of outstanding receivables and pending amount of total receivables.
7. Top 10 Overdue Customer Accounts list: It shows overdue payments from customers. For each payment from a customer, the report includes information about the following:
 - Original invoice
 - Payment
 - Due date
 - Currency code
 - Amounts Number of days that the payment was late

For each customer, there is a summary to show payments within and outside the legal limit. The report ends with a summary of all payments from all customers.

8. Memorized Vouchers: I am not aware of this memorized voucher.
9. Inventory Reorder Point: It is the inventory level of an item which signals the need for placement of a replenishment order, taking into account the consumption of the item during order lead time and the quantity required for the safety stock.
10. Cash/Bank Balances: It shows the bank balances and cash balances and the total debit or credit balances.
11. Customers to Pay Today: This headline is kind of a reminder to whom to pay every day.

Functions and Its Benefits

The functions of the software are so broad. The company uses three key features of the software. Those are:-

1. **Masters Gallery:** The function of master's gallery is to create ledger group. It has 29 ledger groups. If any journal does not fit in those ledger groups, the company creates new ledger group in here. The masters gallery has two parts-

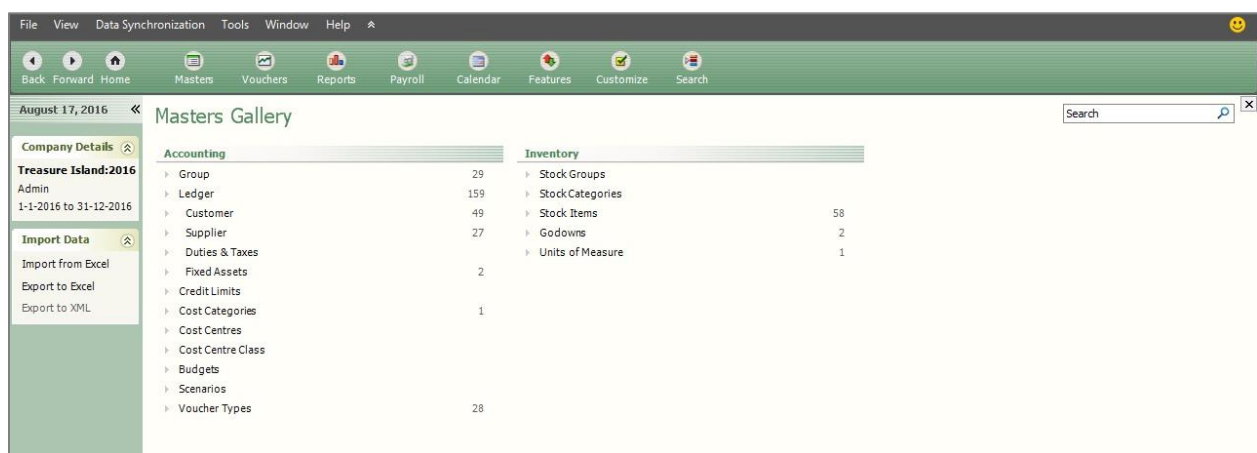


Figure: Masters Gallery

- **Accounting:** In accounting part, it has ledger, group, customer, supplier, duties and taxes, fixed assets, credit limits, cost categories, cost centre, cost centre class, budgets, scenario, voucher types. If the company wants to create new ledger, they will click to masters gallery, after that accounting section. Then there will be a ledger option.

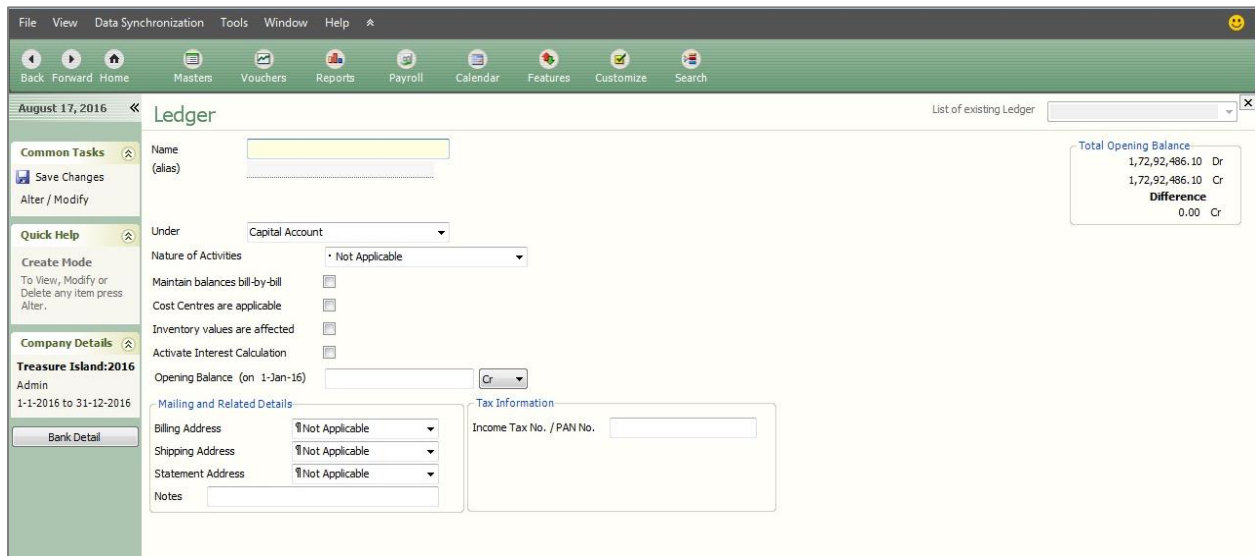


Figure: Ledger Creation

- **Inventory:** In inventory part, it has stock groups, stock categories, stock items, godowns, units of measure. In stock group, there are different types of stock such as cotton, TC, TR, yarn dyeing etc. Those products have different types of categories.
2. **Vouchers Gallery:** The function of voucher gallery is to store the journals. Whenever any transactions have occurred, the company has put the journal entry here. The voucher gallery has four parts:

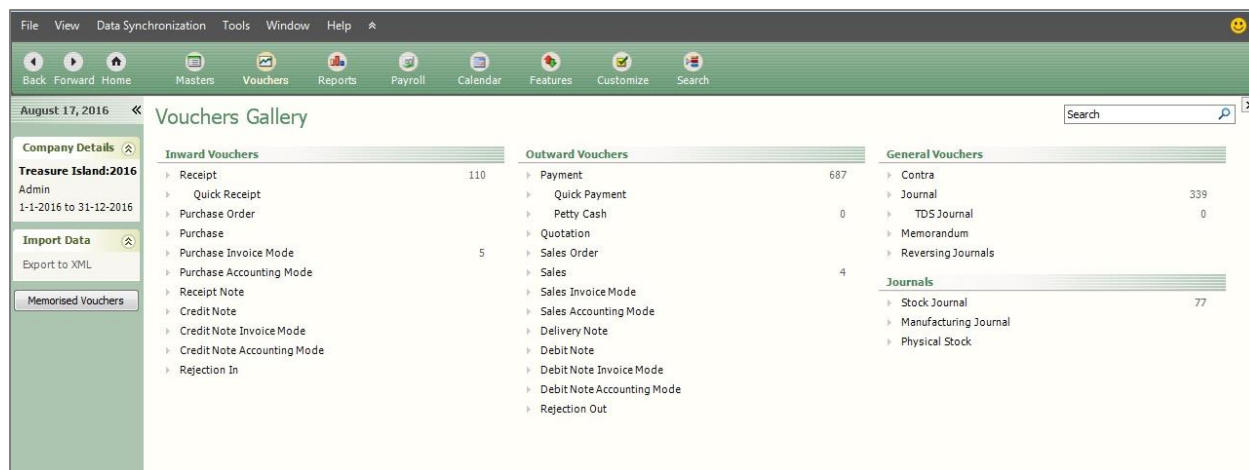


Figure: Vouchers Gallery

- Inward vouchers: It maintains the following vouchers:-
 - Receipts: All cash received voucher are documented here. In the journal entry page, there are voucher class, cost centre class, receipt number, account (under which account), particulars, amount, name on receipt, narration.

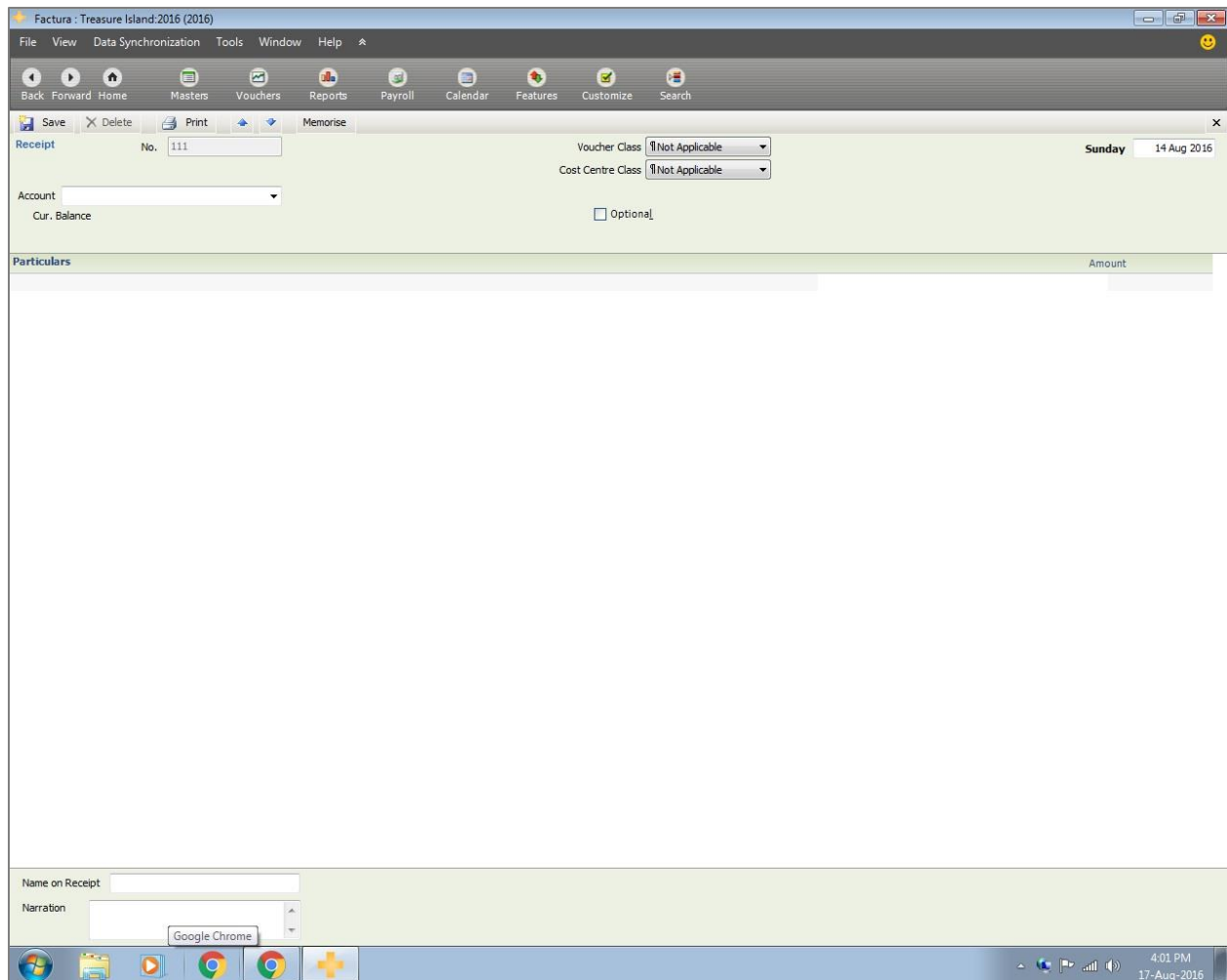


Figure: Receipt

- Quick Receipt: I am not aware of this quick receipt.
- Purchase Order: All the purchase order will be documented here. If someone wants to see all the purchase order, he/she has to click on this file.
- Purchase
- Purchase Invoice Mode: Raw material purchase vouchers are being documented here. After giving the entry of raw material, it directly goes to “stock journal”.

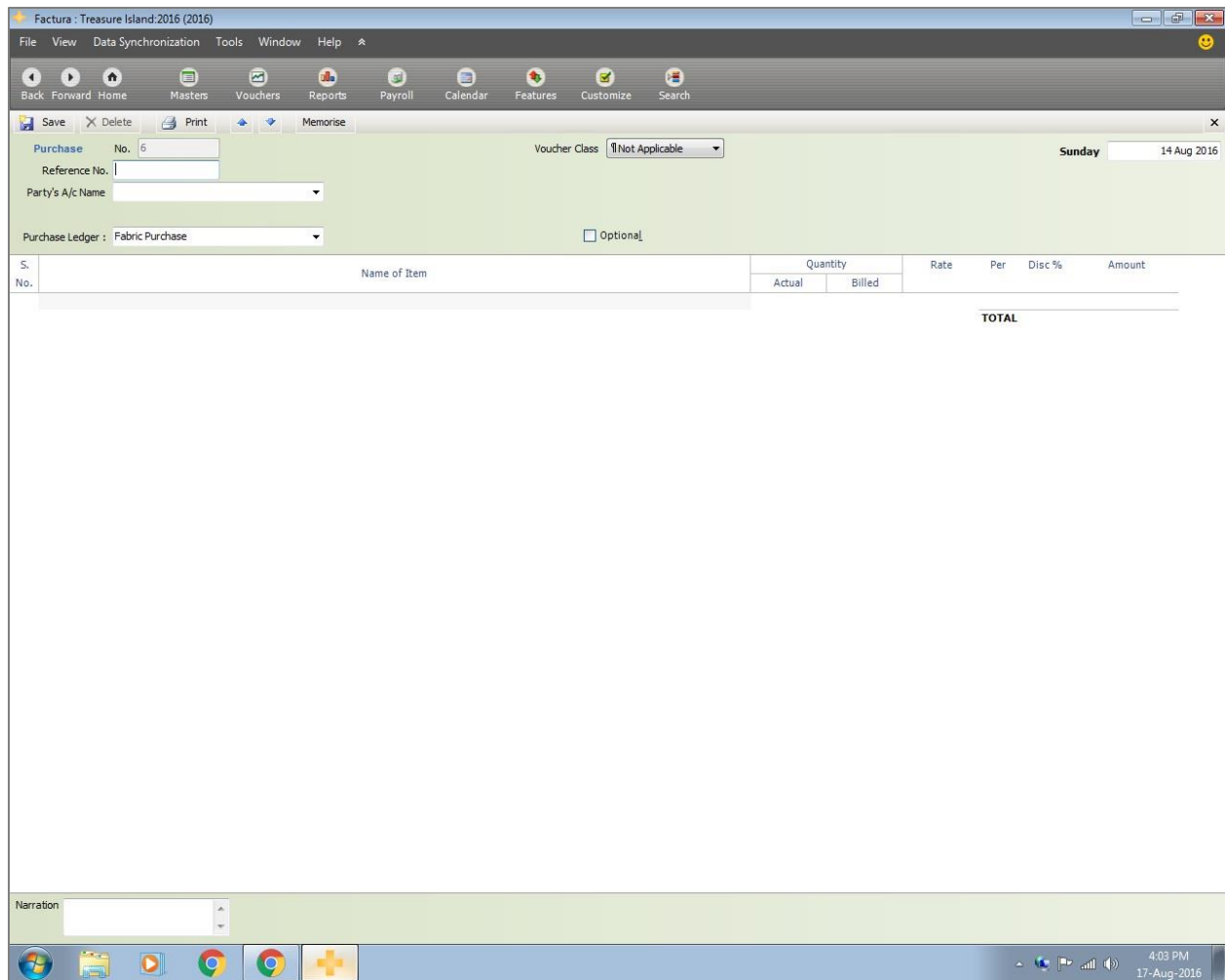


Figure: Purchase Invoice

- Purchase Accounting Mode
- Receipt Note
- Credit Note
- Credit Note Invoice Mode
- Credit Note Accounting Mode
- Rejected In

- Outward Vouchers: It maintains the following vouchers:
 - Payment: All payment vouchers are being recorded here.
 - Quick Payment
 - Petty Cash: Weekly expenses are recorded here as petty cash.
 - Quotation
 - Sales Order
 - Sales: All types sales journal are recorded here.
 - Sales Invoice Mode
 - Sales Accounting Mode
 - Delivery Note
 - Debit Note
 - Debit Note Invoice Mode
 - Rejection Out
- General Vouchers: It maintains the following vouchers:
 - Contra
 - Journal: Adjustment journals, reversing, general journal are recorded here.
 - TDS Journal
 - Memorandum
 - Reversing Journals
- Journals: It maintains the following vouchers:
 - Stock Journal: After giving the raw material entry in “purchase invoice mode”, it automatically shows in stock journal (consumption part). After dyeing the raw material, it goes to production section where stock shows. After sales, stock will be less.

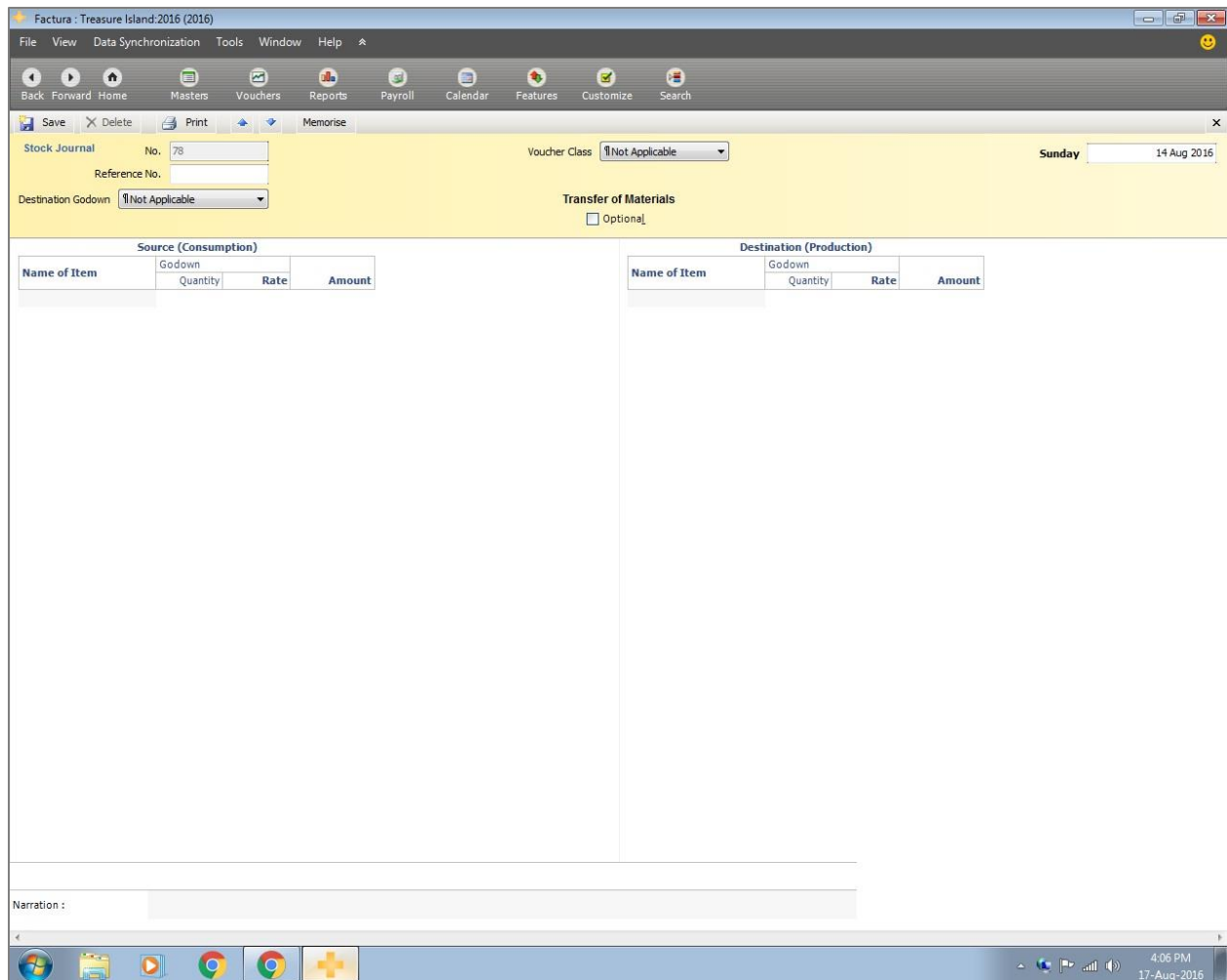


Figure: Stock Journal

- Manufacturing Journal
- Physical Journal

3. **Reports:** Report is a periodic statement which shows financial position of a firm at a given time, or over a stated period, resulting from its business transactions and operations. FACTURA software is divided by three sections in the report part. Those are:-

- **Accounting:** Accounting is the systematic and comprehensive recording of financial transactions of a business. In the software, in accounting part, there are different sections. Those are divided by specific categories. Those are:-

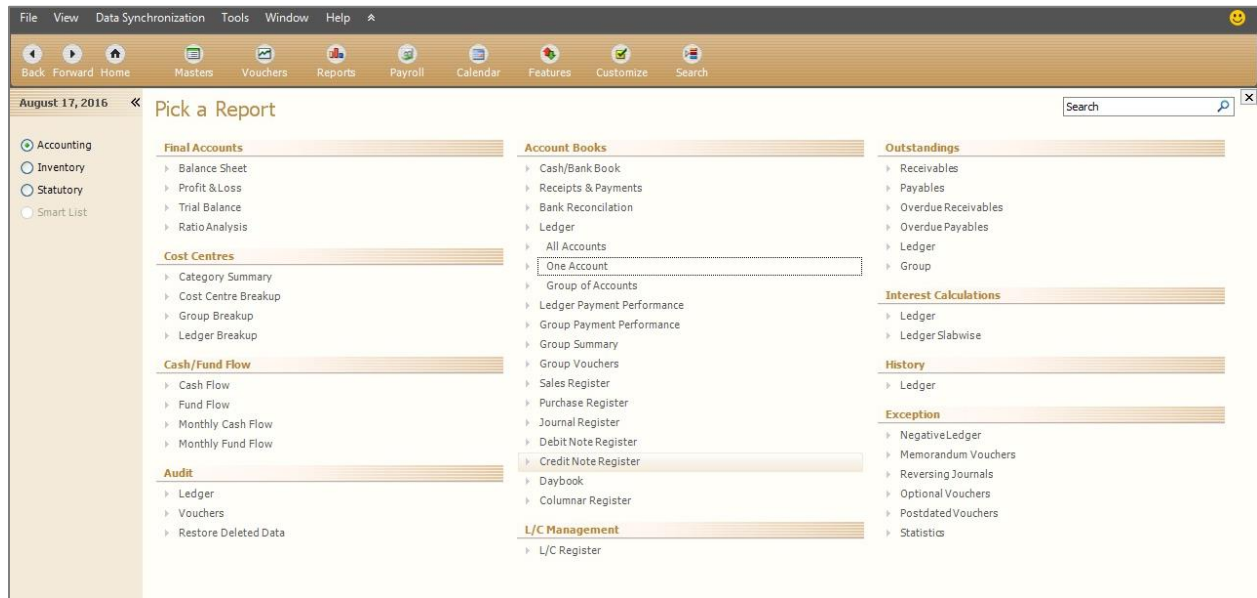


Figure: Report (Accounting)

- **Final Accounts:** In this section, you will get the company's Balance Sheet, Profit and loss account, Trial balance, Ratio analysis. FACTURA software automatically generates those final accounts by using the journal entries.
- **Cost Centre:** Cost centre has some sub-divisions-category summary, cost centre breakup, group breakup, and ledger breakup.
- **Cash/Fund Flow:** Cash flow is the net amount of cash and cash-equivalents moving into and out of a business. Positive cash flow indicates that a company's liquid assets are increasing, enabling it to settle debts, reinvest in its business. Negative cash flow indicates that a company's liquid assets are decreasing. Net cash flow is distinguished from net income, which includes accounts receivable and other items for which payment has not actually been received. Cash flow is used to assess the quality of a company's income, that is, how liquid it is, which can indicate whether the company is positioned to

remain solvent. In cash flow section, there are cash flow, fund flow, monthly cash flow, and monthly fund flow. So anyone can easily check out the cash balance.

- **Audit:** In audit section, there are ledger, vouchers, restore deleted data. Auditor checks the ledger, vouchers and check out those deleted data because to see whether the information is correct or not.
- **Account Books:** In this section, there are cash/bank book, receipts and payments, bank reconciliation, ledger, all accounts, one account, group of accounts, ledger payment performance, group summary, group vouchers, sales register, purchase register, journal register, debit note register, credit note register, daybook, and columnar register. “One account” provides you any specific accounts details. For example, accountant wants to know a specific debtor’s transaction details, he/she will click this “one account” folder and write down the debtor’s name and get all the information.

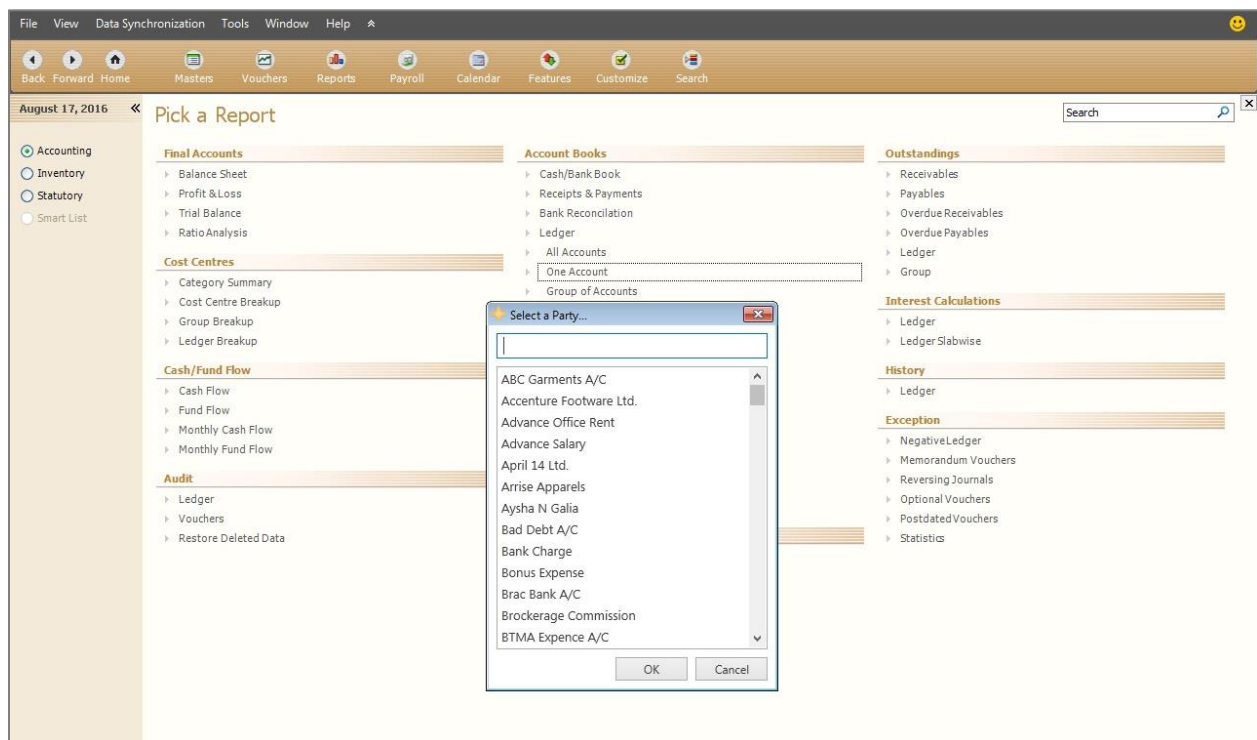


Figure: One Account

- **L/C Management:** In this section, all L/C documents are being recored. As Treasure Island is not directly conduct with foreign buyers, they are not using this part of the software.
 - **Outstanding:** In this section, there are receivables, payables, overdue receivables, overdue payables, ledger, and group.
 - **Interest calculation:** In this section, there are only ledger and ledger slab wise. I am not aware of this section’s function.
 - **History:**
 - **Exception:** In this section, there is negative ledger, memorandum voucher, reversing journals, optional vouchers, postdated vouchers, and statistics.
- **Inventory:** The entire inventory related information is being recorded here. There are five categories and those are-

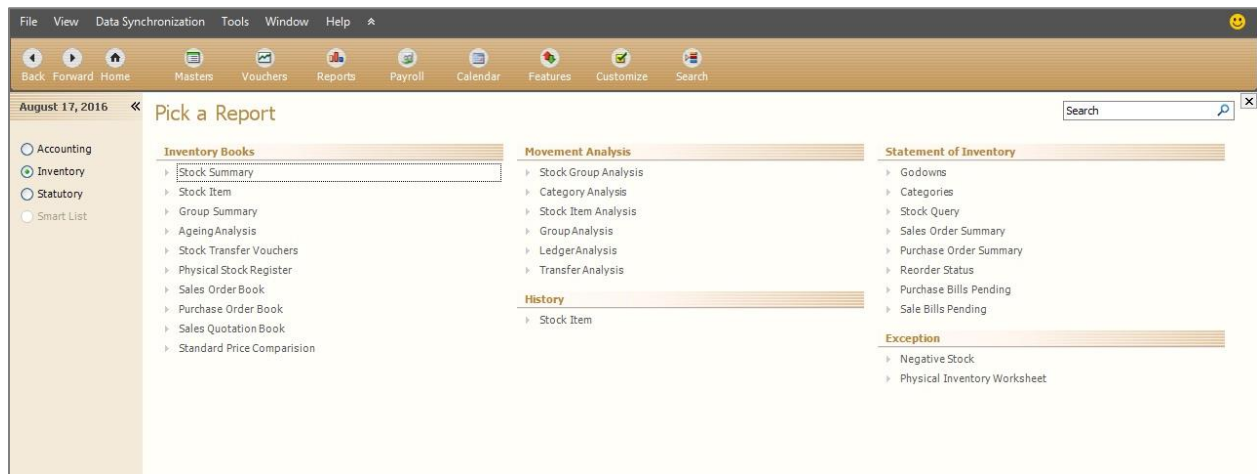


Figure: Report (Inventory)

- **Inventory Books:** In this section, there are stock summary, stock item, group summary, ageing analysis, stock transfer voucher, physical stock register, sales order book, purchase order book, sales quotation book, and standard price comparison. Stock summary shows the total stock details. You will get different types of stock items in “stock item” section. How many types the company makes, it will appear here.

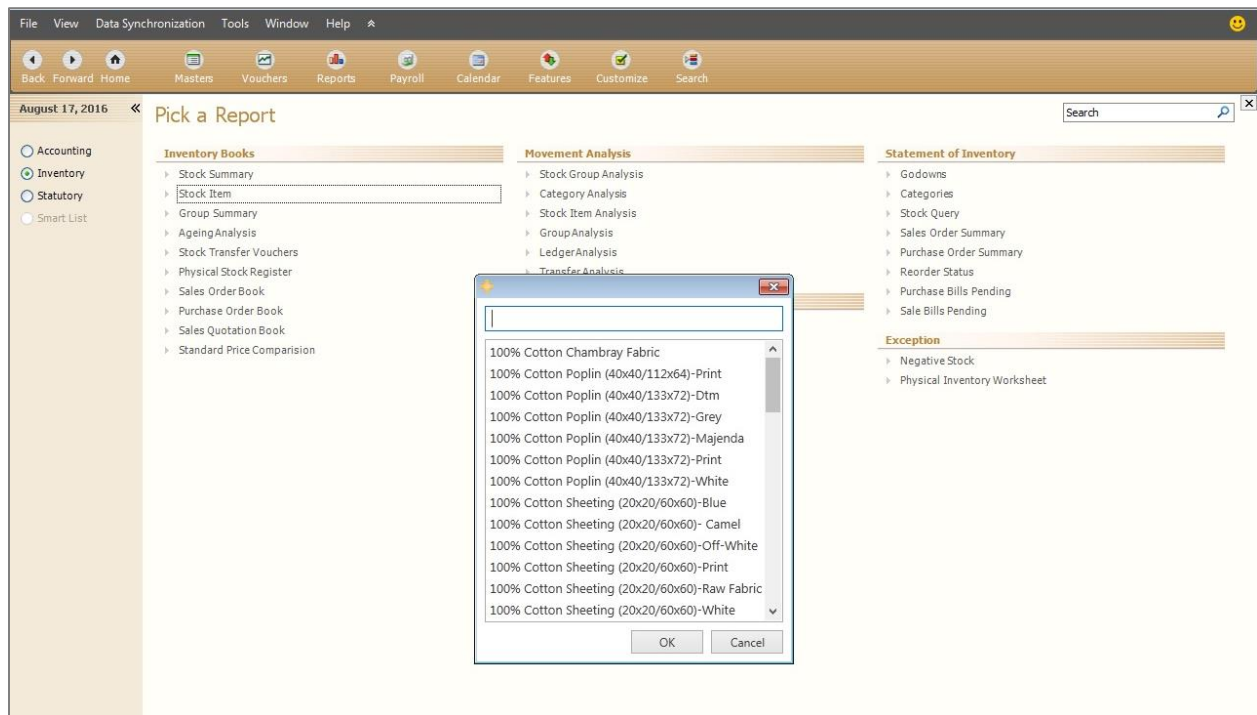


Figure: Stock Item

- **Movement Analysis:** In this section, there are stock group analysis, category analysis, stock item analysis, group analysis, ledger analysis, transfer analysis.
- **History:** In this section, it has only stock item.
- **Statement of inventory:** In this section, you will get all the inventory statement such as godowns, categories, stock query, sales order summary, purchase order summary, reorder status, purchase bill pending, sale bill pending.
- **Exception:** In this section, there is negative stock, physical inventory worksheet.

- **Statutory:** In this section, there is only depreciation part. In depreciation, there are fixed asset register and half yearly. This section is used by big organization that has many types of fixed assets. Treasure Island does not use this part.

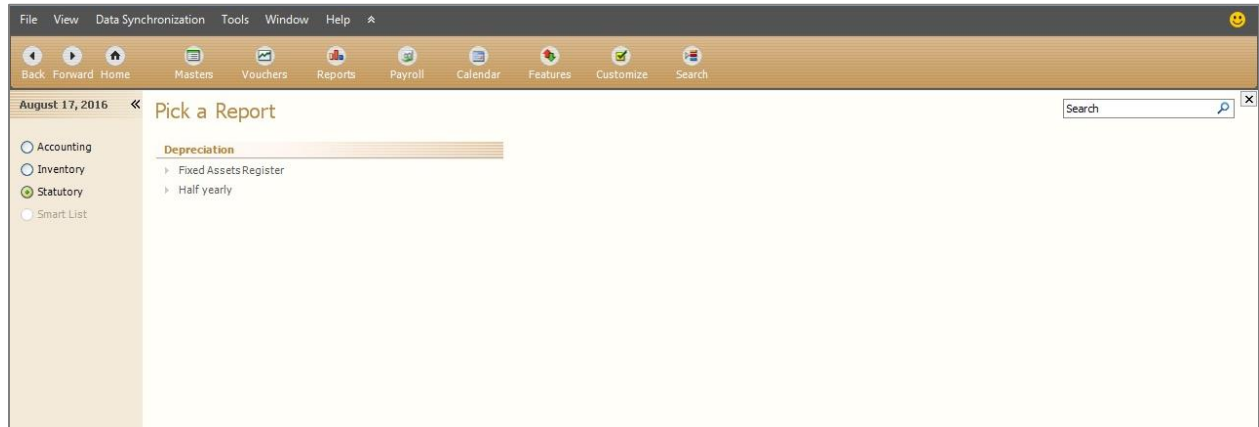


Figure: Report (Statutory)

PART- 04

Drawbacks

The function of FACTURA software is vast. Treasure Island does not use all the functions of the software. When I was working on this report, I have found some drawbacks such as-

- In master gallery, the organization does not use the ‘budget’ options.
- In home page, the organization does not use ‘payroll’ section. To use this section, some kind of registration needs to be done.
- The organization does not use the statutory section.

Recommendation

It was a great experience for me to work at Treasure Island. I have learnt so many things. From my very little knowledge that I have gathered, I have some recommendation. That are-

- The account department could increase employees to increase productivity.
- The company should use more features of the software to save time, money and labor.
- To increase the work efficiency, company could train the employees.

Conclusion

As Treasure Island is a fabric manufacturing company, it has lots of competitors. To survive in the market, it has to follow or maintain some strategies. In my internship period, I have tried my level best to learn about the software and its application. I have tried to input all the information that I have gathered throughout my BBA program.

Bibliography

1. Wikipedia
2. Investopedia