



Internship Report on:

Working Capital Management of Cosmopolitan Communications Ltd.

Course Title: Internship

Course Code: Bus 400

Submitted To:

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Letter of Transmittal

08th May, 2019

Mr. Mahmudul Haque Associate Professor BRAC Business School BRAC University

Subject: Submission of Internship Report

Dear Sir,

It is my pleasure to present the internship report based on “Working Capital Management “ in Cosmopolitan Communications Ltd. This has been given to me as a requirement for the completion of Bachelors of Business Administration Degree.

Working in an organization like Cosmopolitan Communications Ltd. which is a latest concern of Summit Group has been a great experience. I have got the opportunity to work in Cosmopolitan Communications Ltd. under Finance and Accounts department and gain in depth knowledge on how finance department works , how collections are made and how payments are disbursed. Furthermore, the project has allowed both academic and practical exposures. Firstly, I have learned about the organizational culture Cosmopolitan Communications Ltd. which has been running its operation for almost 2 years .Secondly, through this project I got the opportunity to create network within the organization .

I am grateful for your guidance and kind cooperation in polishing this report. I shall be highly obliged if you receive this report and provide your advice on the effort.

Sincerely Yours,

Sanjana Rahman

Student ID: 15104021

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ACKNOWLEDGEMENT

Firstly, I would like to express my gratitude to Almighty ALLAH for giving me patience and capability to perform my responsibilities as an intern and complete the report within the given time period.

I am truly indebted to my faculty advisor Mr. Mahmudul Haque, Associate Professor, BRAC Business School for his supervision throughout my internship period.

I am thankful to Office of Career Services & Alumni Relations (OCSAR), BRAC University for arranging Professional Skills Development Program (PSDP) and Internship Program that enhances combination of theoretical knowledge with real life practices.

I take the opportunity to express my gratitude and deep regards to my organizational supervisor MD Shariful Islam for his guidance and continual encouragement throughout my internship period. This would have been impossible without his instruction on how to proceed with the findings and how to work on the analysis.

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Executive Summary:

This report is about working capital Management of Cosmopolitan Communications Ltd. It discusses how Cosmopolitan Communications Ltd. Manages its working capital. Working capital is current asset minus its current liabilities. There are mainly 3 elements is working capital management and those are accounts receivable/payable, cash management, inventory management . A company must manage its working capital so to ensure profitability. This report discusses how Cosmopolitan Communications Ltd. Manages its account recivable, how they collect cash from customers , what are the policies , credit period , the time it takes to collect money etc. It also discusses how a company pays to their vendors, what are the obstacles a company faces, how much time they take to pay their vendors etc. A company should manage its accounts revivable and account payable efficiently to run the organization smoothly. A company should also manage its cash efficiently .This report also discusses about the effective tools or ways the company uses to manage its cash .Managing inventories and warehouse is also an important factor and this report discusses about inventory management of Cosmopolitan Communications Ltd. It also shows the graphical representation of sales and expenses. The relationship between current asset and current liability is shown through a graph as well. Furthermore, the report shows the net profit/loss of this company and also the monthly sales for a specific period and how it has been increased .This report shows both the positive and negative side of this company and it also suggests the improvement of this company in the end.

Organization overview:

Cosmopolitan communications Ltd. Is an Internet service provider or ISP company which promises to provide the fastest internet all over the Bangladesh. It has started its journey since 2017 though the license of this company was taken since 2016. Cosmopolitan communications ltd. Is the new concern of summit group which was established in 1985. Other than Cosmopolitan Communications Ltd. , summit group has many more other concerns as well .Summit group is a successful conglomerate company which has been successful in sectors such as trading , shipping , communications , power , energy and many more .However , Cosmopolitan Communications Ltd. Is the Internet service provider or ISP Company which has access of 42000 Km of the nationwide transmission Network.

Description of the total Business of the organization:

Vision: To become a leading Internet Service provider or ISP Company all over the Bangladesh.

Mission: To fulfill the expectation of customers with 24/7 hours monitoring and supporting service.

The motive of Cosmopolitan Communications Ltd. Is to provide fastest internet and this is a growing company since it has been established . They are providing internet to the offices but they are planning to provide internet to the households as well .They are planning to provide huge amount of internet in the future .As this is a latest concern of Summit group , they are not well recognized yet .

Services of Cosmopolitan Communications Ltd.

Internet Connectivity: Cosmopolitan Communications Ltd. Provides customized packages for the customer with 24/7 monitoring, management and support. They provide optional full redundancy and static routing and BGP routing. They are providing 5 mbps internet and onwards , 24/7 helpdesk with web based CRM , high level of uptime KPI , log reports for every customer , customer relationship management tools and other value added service

according to the needs etc .There are 3 types of packages and those are Cosmo Starter , Cosmo Enterprise , Cosmo Pro . Cosmo Starter package is for those who needs comparatively less speed. The bandwidth starts from 5 mbps to 10 mbps in this package .Customers can enjoy unlimited data. The web hosting offers 200 MB in this package and mail hosting offers up to 25 mail box (1 GB) whereas IP phone is of up to 25 numbers. Whereas Cosmo Enterprise has moderate speed which provides 10 Mbps to 50 mbps Internet with unlimited data. The domain name is same as in Starter package and webhosting offers a bit higher which is 500 MB and mail hosting offers 50 mail box which is also a better offer than cosmo starter. However, the best package of Cosmopolitan Communications Ltd. Is Cosmo Pro which offers 50 mbps++ with unlimited data. Web hosting of this package is 1 GB and mail hosting offers virtual private server. IP phone is of up to 100 numbers.

IT Infrastructure: IT infrastructure management service of Cosmopolitan Communications Ltd. Satisfies Company's information technology needs .Cosmopolitan communications ltd. Enhances customer's efficiency in operations. Cosmopolitan communications Ltd. Fixes the problem by analyzing it .It also offers firewall management such as monitoring of firewall, controlling virus, connectivity and security. Along with problem management and firewall management, CCL or cosmopolitan communications Ltd. Manages Local area Network and provide End –to –End IT infrastructure services. IT infrastructure offers server management, back up management and hosting services to the clients as well.

Data Connectivity: Cosmopolitan Communications Ltd. Provides Leading-edge MPLS technology for absolute privacy .They provide increased resilience to the provider. There as other features such as guarantees for packet loss and latency. They also provide 24/7 monitoring, support management service and accessibility.

Job Experience: The entire internship period was quite challenging for me as I knew I have to replace a finance executive for the next 3 months. At my first day, I was introduced to

all of the employees in this company and they welcomed me with warm regards .The HR executive of Cosmopolitan Communications Ltd. introduced me with each and every one including my supervisor . My supervisor was very welcoming and from her I got to know that I have to learn all of my responsibilities within a very short time as she will be on a leave very soon. Unfortunately, I got only two weeks to learn the entire responsibilities of her in this Company. At my first day, I was taught few basic things about tally and its function .I came to know that I have to frequently use this software to keep record of every business transaction in the organization. My supervisor did not give me much work as it was my first day. On my second day, I had to prepare vouchers of accounts receivable using tally software and within few days I saw improvement in my work. My supervisor told me to bring a diary so that I can write the details of my responsibilities on that diary and I was told I have to take care of the entire payment procedure after her leaving. I have learned how to prepare vouchers for business transactions such as vendor bills, administration bills etc. After few days of working, I understood the responsibilities that I got is quite challenging. I have tried my best to get an overall idea of the entire payment procedure within 2 weeks as my supervisor was about to leave .She was very helpful and taught me each and everything in details .She also introduced me with Chief financial officer, managing director and director of summit group as well before she leaves. She also taught me how to make monthly financial reports, how to write checks, how to file financial papers and some other things that is very important to maintain regularly. She taught me to prepare Chalan for to submit government revenue collection as well .Mainly , the responsibilities were to handle business transaction , keeping the record of business transaction in tally software , disburse payments , taking approval from management regarding payment , handling petty cash , preparing vouchers , reports , filing vouchers and bills .I have gained the practical knowledge of finance within a very short time and tried my level best to do this job perfectly considering my limitation .

Specific Responsibilities:

1. Preparing vouchers for business transaction
2. Preparing vouchers for accounts receivables and accounts payable
3. Taking approval from the management for any kinds of payment

4. Disburse payment
5. Recoding vouchers in ERP Software (Tally)
6. Support Petty Cash
7. Payment VAT and TAX to the Government
8. Filing the document
9. Reconciliation of ledger
10. Support Auditors

Introduction to the Report: This report is about working capital management in Cosmopolitan Communications Ltd. And it discusses about how Cosmopolitan Communications Ltd. Has been managing its working capital , what are the effective tools they use to collect their cash from customers , how they collect , and how they pay to their vendors as well .

Working capital management:

Working capital means Current Asset minus Current Liability .The main goal of working capital management is to maintain the functions of a company effeciently. Working capital management manages inventory, accounts receivable and accounts payable of the company. The main purpose of working capital management is to collect cash from clients as early as possible and delay the payment of vendors.

Accounts Receivable: Accounts Receivable is treated as current asset in balance sheet which the company will receive from its customers as they have purchased its goods & services on credit. A company manages its accounts receivables through financial managers and collect their cash from customers as early as possible. The less time it takes to collect money, the better it is for the company. An ideal time for collecting money is 5 to 7 days. A company should collect money within this period of time to have sufficient fund on hand.

Accounts payable is when a company needs to pay back the vendors for purchasing goods from them. Companies try to delay the payment as long as possible. However, holding the payment for too long can have an adverse effect on the Company. Finance Department plays a very important role in paying the vendors .Finance take care of all the necessary payments that the company is required to pay.

Cash Management: cash management is the process of collecting cash and managing it using effective tools as it can further invest for a short period of time. Therefore, keeping cash on hand is very necessary as companies use this cash for further investment. Managers are responsible for managing cash and investing it.

Inventory Management: Inventory management is ordering, purchasing and storing the inventories .It also includes managing the raw material, components and finished goods. Managing inventory means keeping the inventories in warehouses in such a way that it can be found easily. It should be kept in an organized way.

Rationale of the study: The main purpose of this study is to study the inventory, cash and receivables of Cosmopolitan Communications Ltd. There are other reasons as well. The purpose of this study is to understand the concept of “working Capital Management ‘ ‘ in a better way and to also to understand the planning and management of working capital at Cosmopolitan Communications Ltd. Hence, to suggest better management and control for further improvement in working capital management.

Statement of the problem: The problem of this study is limitation of data since the company is the latest concern of Summit Group and it has been operating only for about 2 years. Hence, most of the financial information is confidential and financial managers remain busy most of the time, it was quite challenging to collect information from them.

Scope of the Study: I have gathered detail knowledge about working capital management and also learned how a company manages its inventories, cash, receivables and payable. This report also taught me the planning and financing of working capital and the credit policies of a Company and its effective tools. I have learned how to manage inventories and how to keep inventories in warehouse as well. This report also teaches how to collect cash from the customers and effective way to pay the vendors. This creates an understanding of how working capital management can be an effective tool to run a company smoothly and how it should be managed.

Limitation of the report: As Cosmopolitan Communications Ltd. Is the latest concern of Summit Group, data and information of this company is very limited. Therefore, I could not make any comparison between one year's financial data to other year's data as this company has been running only for about 2 years approximately. The company website also does not reveal much information as all the financial information is confidential. Collecting financial information from the company was very challenging as well as financial managers remain busy all day long in their work and it was not possible to take their interview for a long time. I also couldn't get much time to make this report though I have tried my best to make this report.

Objectives of the report: The objective of the report is to analyze the working capital management of Cosmopolitan Communications Ltd. How this company is able to manage its accounts receivable, how many days it takes to collect money from their customers, what are the tools and policies they are using to collect their cash on time. Furthermore, how much time they are taking to pay their vendors, how they are managing their inventories and warehouse etc. The report also finds out how much cash they are generating each month from their customers, how working capital management has been affected to its profitability etc..

Literature Review: Working capital is the harmony between current asset and current liability. It also creates harmony between profit and purchasing material of the company. Cash conversion cycle is one of the element of working capital management and is a number of days of operation in a company. The operation relates to accounts receivable, accounts payable or inventory. The more the number of days are in cash conversion cycle , the cost increases due to investment in working capital management (Johor , 2018) Many companies invest a large amount of money on working capital management . As a result, it has a great impact on a company's liquidity and profitability.(Deelooft , 2003)

Cement industry plays a very important role in the development of Bangladesh and the profitability of cement industry highly depends on the efficiency of working capital management. Profitability and working capital management has a positive relationship according to Mazumdar (2005). Knauer and Wohrmann (2013) says companies should enhance working capital balance . They also explained what it is by saying company should reduce the requirement of working capital in the organization so to meet the targeted profit. They have added that working capital management creates an opportunity for free cash flow and return to the shareholders another element of working capital management is accounts receivable and the number of account receivable days is the time it takes to collect cash from customers .It is also called Days sales outstanding or DSO . The success of a company depends on DSO and the less time it takes, better for the company (Johor , 2018) . On the other hand, accounts payable is the payment that needs to be paid to the vendors because of purchasing raw materials and the payment period is the time taken to pay to the vendors according to Deelooft (2003)

Research Methodology: This report requires a deep knowledge about working capital management such as what is working capital, what is required to manage working capital etc. One needs to know how working capital is managed in Cosmopolitan Communications Ltd. Working capital management includes managing accounts receivables, accounts payable, cash and inventories. This report requires understanding about managing cash, inventories, receivables and payable .It also needs the understanding of how working capital is financed and the sources. Proper advise and recommendation are required for further improvement in working capital management.

Analysis and Findings

Account receivables Management:

The credit period of collection in Cosmopolitan Communications Ltd. is usually 7 to 15 days in most of the cases it is 7 days. Though collection within this time may not possible in most of the cases and they are able to collect their money within 1 month.

Billing procedure and policies: Cosmopolitan Communications Ltd. Provide service throughout Bangladesh. They mainly provide service to corporate house, LSP (Local service provider), banks etc. They also can provide service to individual houses. Cosmopolitan Communications Ltd. has 150 clients approximately so far which is a lot more from the time when the business has started .It provides service throughout the Bangladesh .Marketing department brings clients to the organizations by brining work orders to the organization. Work orders are received from the customers and marketing team goes to implementation team and Internet service is delivered within 3 to 7 days. They provide internet service within 3 days inside Dhaka and outside Dhaka it needs 7 days.

After giving service to the customers, billing team prepares bills for customers by keeping the agreement in mind with the customer. Preparing the bill is the first step of the billing department. To prepare the bill , billing department involves the corporate affairs in this entire agreement as well .This bill is the proof of the agreement where both party the service provider and receiver discusses the details regarding service and decides the rate and capacity of the internet. They also discuss about credit period and discount if applicable as well before preparing the bill. Mainly, there are three things are that are clearly mentioned in the bill .One is the capacity of the internet that the customer has received. Secondly, the rate of the internet that both party has agreed on .Lastly, the time when the customer has received the service. However, the rate of the internet depends on the capacity of the internet .The rate varies considering how much capacity a customer will be taking. The rate would be comparatively lower for the customers who choose to take high capacity Internet .To give an instance , a customer who takes 1mbps Internet, the rate would be a bit higher for him/her compared to the customer who takes 5mbps internet and vice versa . The bill has specific terms and policy which is clearly written and if the customer doesn't

follow the policy, he/she will be unable to get any service from Cosmopolitan Communications Ltd in future. The bill has specific credit period and mainly the customer has to pay within 7 days. Sometimes the credit period is for 15 days as well. However, this credit period is barely maintained in reality. There are other things mentioned as well, The total payment amount according to the agreement, payment method and payment address, office location, contact number etc is clearly mentioned in the bill as well. After writing all the policies and necessary information in the bill, the next and last step is to send the bills to the customers in the specific address. Billing Department provide both the hardcopy and soft copy of the bill to the customers. Soft copy is provided through mail. There is also compensation policy if a customer is unable to pay the bill within the time. They always try to provide their service from the nearest place where the internet is already established. If the internet is already established in a customer's nearest area, billing department would advise them to provide the service from the nearest area. This is called point of presence or POP.

Collection procedure and policy: Collection team starts working after fulfillment of the responsibilities of Billing Department. Collection team contacts with customers about bill collection after few days of sending the bill to the customers. Collecting bill is one of the most challenging tasks as collection team needs to constantly push the clients to pay within the time as collection team has orders from the management to collect money within a limited time period. The payment of the organization also relies on the collection as the faster the collection can be made, the better the payments ability. Collection team contacts customers through mobile phone, email, letter etc depending on the customer's nature. The collection team sometimes send formal emails to their customers in case of collection emergency. They also send reminding letter or warning to push the customer to pay whenever customers are late to pay their money. However, Collection team is flexible towards those customers who have a good record of paying on time in the past but cannot make the payment for the time being for some sort of financial crisis. They also have the control over providing service to the customers. If a customer has a bad record of payment in the past, collection team can hold the customer's order. Suppose, a customer demands highcapacity data but the financial condition is not stable of that customer, the collection team holds that order as well and do not provide the service. Collection team is

required to make this types of control over providing service to minimize the hassle of collection money .Even after controlling these thing, the collection team face challenges in the time of collecting money from customers as customers are often reluctant to pay the money within the time period. Dealing with customers gets difficult and challenging for the collection team when this happens as the billing Department keeps pushing collection department to collect the money from the customers. In that case , collection team gives warning or reminding letter to push the customers to pay within a short period of time .Collection team usually are able to receive the money within 1-month though the credit period is normally 7 to 15 days.

Table 1:

Days Sales Outstanding (DSO)	21 Days
Average Daily Sales (ADS)	BDT 93,891

The data of Days sales outstanding and Average Daily Sales are collected from primary source . Table 1 shows that DSO is 21 days which means it takes 21 days to collect money from customers on an average. However, Average daily sales in Cosmopolitan Communications Ltd. Is 93,891 .

Cash Management of Cosmopolitan Communications Ltd. :

Cash Management is very important in a company . Cosmopolitan Communications Ltd. collect money though BEFTN, cash or check. Mostly, they receive check since receiving the cash has the risk of losing the money from both the party. However, they also receive money through fund transfer where the medium is Trust bank. Customers sometimes pay through bkaash, Nogod or IPAY as well .For some of the time Collection team goes to the customer’s place to collect money and sometimes customers by themselves come to the collection department to pay the due amount. Collection team face challenges when the location of the customer is far away from the office. They have to go a long way to the customer’s place and wait for hours to collect the money in some cases. The next step of collection team is to receive the money from customers. To receive the payment from customers, collection team fill up the relevant information in

mushak or bank receipt paper by providing the current date with the signature and provide that receipt to the customer and receive check or cash from the payee. However , Collection team also keep a copy of the receipt as a prove . After the collection, the work of this department ends and they close the contract between them and the customers.

Relationship between Current Asset and current Liability: (July'17-June'18)

Table 2:

Year	Current Asset	Current Liability	Current Ratio
2017-2018	BDT 164,49,819	BDT 440,08,777	0.37

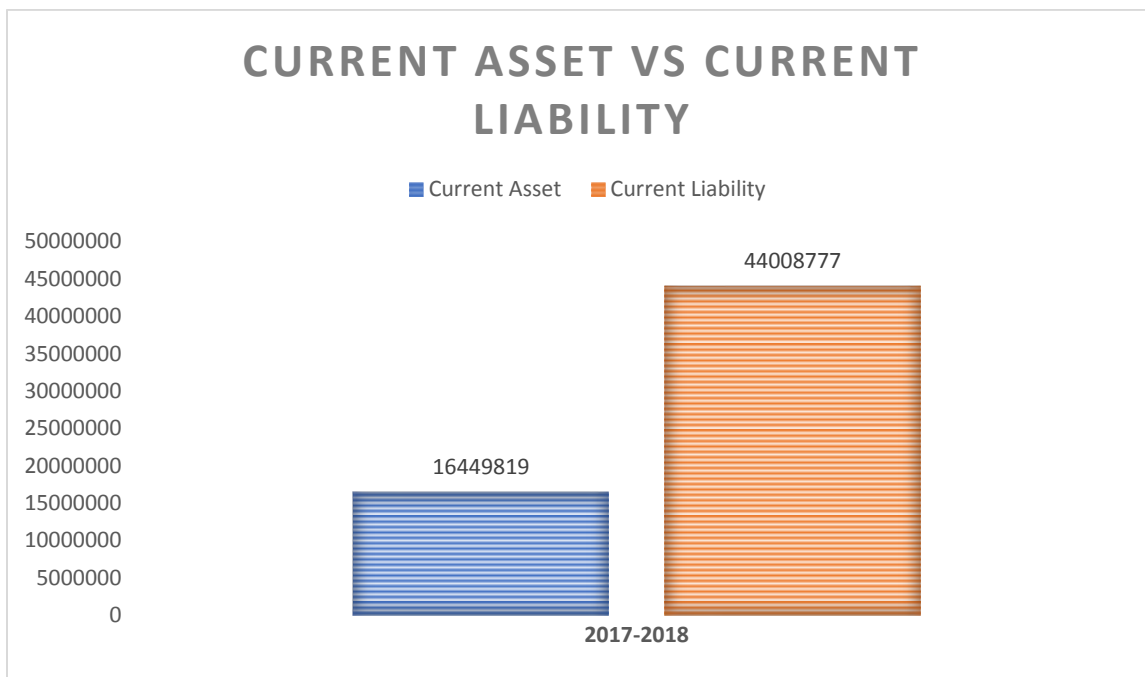
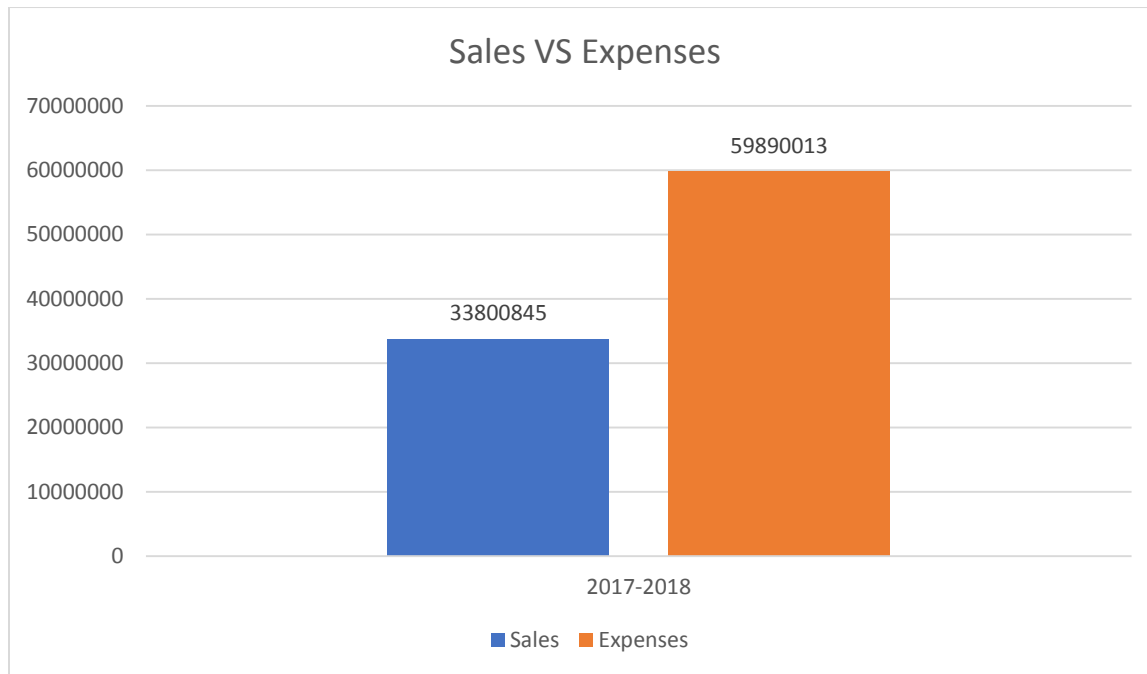


Table 2 shows that Current asset is not sufficient compared to the Current Liability of the Company since Current asset should be twice of current liability of a Company. Current Liability is more than the Current asset of this Company in 2017-2018 year.

Relationship between Sales and expenditure:

Table 3:

Year	Sales	Expenses
2017-2018	BDT 338,00,845	BDT 598,90,013



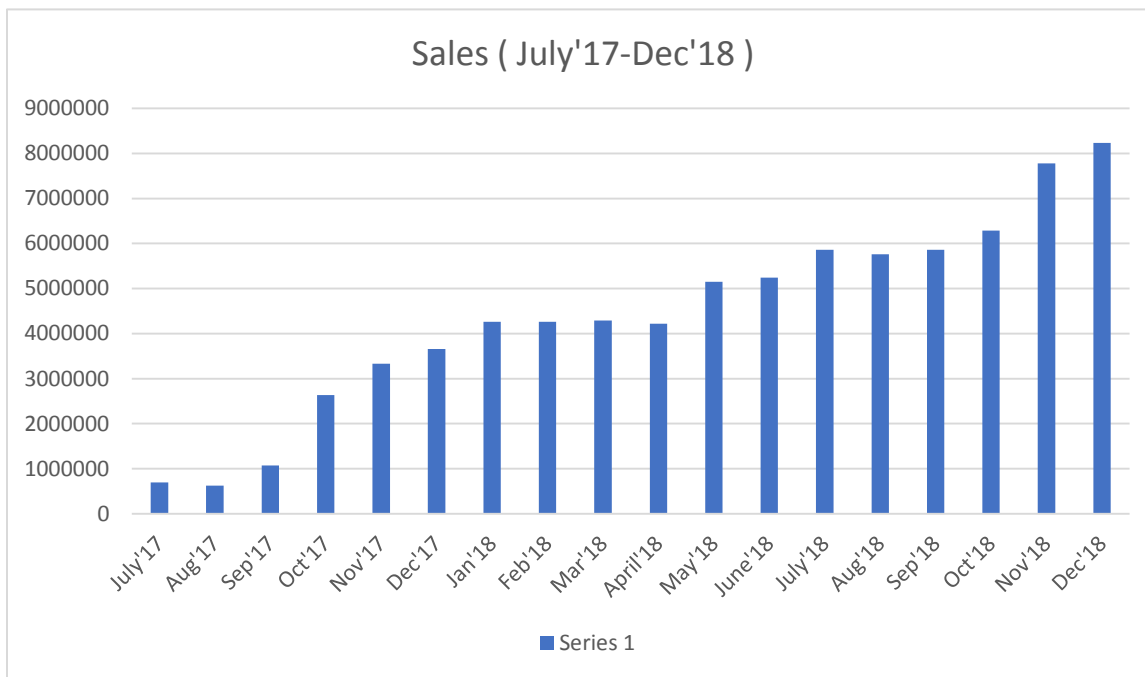
This Graph shows that Expenses are higher than Sales in this fiscal year which is not a good for the company .It shows that Cosmopolitan Communications Ltd. Is still not able to achieve its desired place.

Total Revenue of Cosmopolitan Communications Ltd. Are given below:

Table 4:

Particular	July'17	Aug'17	Sep'17	Oct'17	Nov'17	Dec'17	Jan'18	Feb'18	Mar'18
Total Revenue	696,813	624,977	1073,374	2636232	3333031	3660856	4263019	4263019	4221726

Particular	April'18	May'18	June'18	July'18	Aug'18	Sep'18	Oct'18	Nov'18	Dec'18
Total Revenue	5152731	5239357	5391685	5860873	5759586	5859420	6284302	7778630	8234302



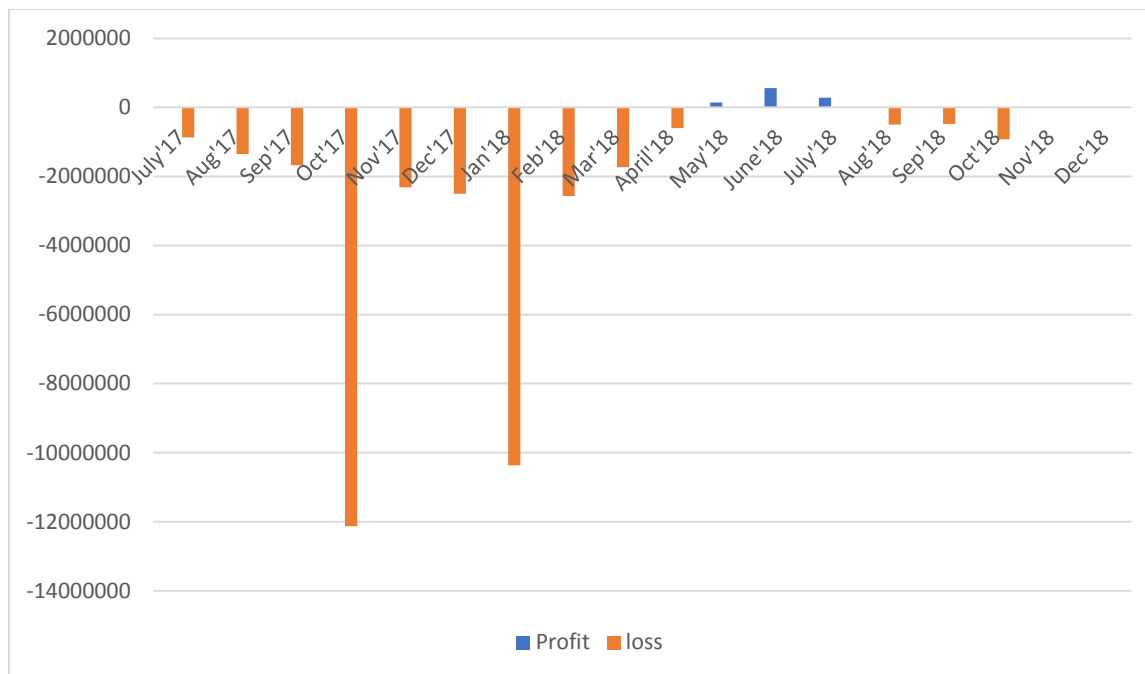
This graph shows the total revenue of Cosmopolitan Communications Ltd. From its inception to December 2018 and the revenue or sales are constantly increasing from the time it has started. Though it has been decreased slightly for few months .but in most of the months, the sales has increased at very high rate .This is a very positive side of Cosmopolitan Communications Ltd . As the company is growing day by day.

Table 5:

Net Profit of Cosmopolitan Communications from July 2017 to December 2018:

July'17	Aug'17	Sep'17	Oct'17	Nov'17	Dec'17	Jan'18	Feb'18	Mar'18	April'18
(871126)	(1353658)	(1672278)	(12127593)	(2315582)	(2498907)	(10370825)	(2564615)	(1730916)	(597764)

May'18	June'18	July'18	Aug'18	Sep'18	Oct'18	Nov'18	Dec'18
144188	561198	285996	(495316)	(476721)	(920653)	14,99,354	17,81,621



This graph shows that the Company has reached its breakeven point within a very short time. Though this company was in loss from July 2017 to October 2018. from November 2018 , this company is in profit .

Accounts Payable Management and policy:

In Cosmopolitan Communications Ltd. finance department pays through BEFTN, Check, or cash to the vendors and others. Maintaining confidentiality is very important for finance Department and are not revealed to other departments. All the payments depend on the availability of fund. The more fund is collected from clients, the faster the payment can be made to vendors.

Firstly, the finance executive receive bill from other departments (procurement department & admin department mainly) finance Executive checks the proper documentation of the bill and further proceed with the bill. The received bill must have enough supporting documents and approval of general manager is required on the bill summary. The bills are not accepted in case of lack of supporting documents. After receiving the bill the first thing needs to be done is creating voucher for every single bill. Finance Executive makes all the vouchers using tally software to keep the record of every transaction and after printing it is attached with the relevant bill. Finance Department keep both the hard copy and soft copy of every single voucher. Payment date must be specified in the voucher so to keep the track of transactions in the organization. After preparing voucher, Finance Executive needs to take approval of Deputy Manager and General Manager of Cosmopolitan communications Ltd. It also needs to be checked and signed by finance manager and Chief Financial officer of Summit Communications Ltd which is also concern of summit Group and it monitors the daily activities of Cosmopolitan communications Ltd. Summit Communications Ltd. Act as an advisor of Cosmopolitan Communications Ltd. And if they have observations regarding bills and payment, they recommend cosmopolitan Communications Ltd. To hold the payment until they resolve it. However, if summit Communications Ltd. Does not have any observation, they recommend Cosmopolitian Communications Ltd. to go for further process. After taking approval from Summit Communication, Finance department prepares BEFTN Sheet (Bangladesh Electronics fund transfer Network) as we mostly pay our vendors and admin bills through BEFTN and we barely pay in cash. We chose this method so that we can disburse the payment easily..In BEFTN Sheet , Finance department specify the total amount that is to be disbursed and also provide a breakdown of those payments .They specify the sufficient information that is required to be given to disburse the payment into a particular account for example , account title, account number and routing number must be given to disburse any payment .Finance Department has to

be very careful while preparing the BEFTN Sheet .Forwarding letter is prepared as well as a top sheet and attach with the BEFTN Sheet . The forwarding letter is written for the Managing Director and Director where the total amount of the payment must be specified in numbers and also in words as well. After preparing the BEFTN sheet and forwarding letter, the approval of the Managing Director and Director of Summit group is required on the BEFTN Sheet and the forwarding letter and this is the last approval that must be taken to make the payment .After taking the final approval from the managing director and the director of Summit Group, Finance Department send the BEFTN sheet and forwarding letter to Trust bank. This is the last step of payment procedure .After sending the BEFTN Sheet and forwarding letter, Trust bank disburse the payments to the specified accounts within 1-2 days after sending them. However, Finance department send the hard copy and soft copy of BEFTN Sheet and forwarding letter. They send hard copy of BEFTN Sheet through their Assistant and also send soft copy through email. They also keep one copy of BEFTN Sheet for them to keep the record of disbursement.

Table 6:

The average payable period of Cosmopolitan Communications Ltd. :

Account Payable period	94 days
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The average payable period is satisfactory of this organization as holding the vendors payment for too long is not satisfactory as the vendors will not be reluctant to sell their goods if they do not get their money on time. On the other hand, a company should hold the payment as long as feasible as they need to have sufficient fund on their hand .

Inventory Management: Cosmopolitan Communications Ltd. Is able to manage their inventories efficiently. They ensure high quality products and are concerned about their cost as well .They require patch cord ,fiber ,routers ,cables , bandwidth etc. to run their business . They take large amount bandwidth in rent every month from Summit Communications Ltd. Which is also a concern of Summit Group .They need point to point connectivity for their business as well .They are able to provide IIG (International Internet Gateway) service and

NTTN (Nationwide Telecommunications Transmission Network) with the help of Summit Communications Ltd.

Inventories are managed by the procurement Department and their responsibilities are to convince

the vendors and finally making them agree to their company terms. First of all, Internal user sends an internal office memorandum which is verified by the general manager and then collection of price quotation from vendors start and followed by further negotiation .A comparison sheet is created to show which vendor is offering the cheapest price. After finalizing the deal all supporting documents are taken to the general manager to issue a work order or purchase order. After the process of purchase order, vendor needs to send the goods with proper invoice and challan and this will have to be received and issue a goods receivable note. With this a bill summary needs to be prepared and give to the finance department for the payment to be made to the finance.

Recommendation

The Days sales outstanding or the average collection time is a bit higher and it should be reduced .Financial team should work on this problem as it is their responsibility to collect cash from customers. They should be more strict to the customers about collecting money .They can make more strict policy who are not reluctant to pay within the time. My second recommendation would be they should be more organized as it is very necessary for every organization to develop .I have seen things are not pre planned and organized while working with them. My 3rd recommendation is they should hire an expert in the finance department who has years of experience in Finance as I did not find any expert in the finance department while working with them .

Conclusion:

To conclude, I have included detailed discussion and analysis of working capital management in Cosmopolitan Communications Ltd. Where I have found some positive and negative side of Cosmopolitan Communications Ltd. I have shown the sales/month in both the table and graph and also comparison of sales and expenses of Cosmopolitan Communications Ltd. I have explained the detail management of accounts receivable, accounts payable, cash management and inventory management. I have discussed the policies they use to collect their cash, how they are collecting it and how they pay their vendors. I have also discussed about how they manage their inventories and warehouses as well. I have also shown in table and graph about their Net profit/loss and what their position is.

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Appendix:

Table 1:

Days Sales Outstanding (DSO)	21 Days
Average Daily Sales (ADS)	BDT 93,891

Table 2:

Year	Current Asset	Current Liability	Current Ratio
2017-2018	BDT 164,49,819	BDT 440,08,777	0.37

Table 3:

Year	Sales	Expenses
2017-2018	BDT 338,00,845	BDT 598,90,013

Table 4:

Particular	July'17	Aug'17	Sep'17	Oct'17	Nov'17	Dec'17	Jan'18	Feb'18	Mar'18
Total Revenue	696,813	624,977	1073,374	2636232	3333031	3660856	4263019	4263019	4221726

Particular	April'18	May'18	June'18	July'18	Aug'18	Sep'18	Oct'18	Nov'18	Dec'18
Total Revenue	5152731	5239357	5391685	5860873	5759586	5859420	6284302	7778630	8234302

Table 5:

Net Profit of Cosmopolitan Communications from July 2017 to December 2018:

July'17	Aug'17	Sep'17	Oct'17	Nov'17	Dec'17	Jan'18	Feb'18	Mar'18	April'18
(871126)	(1353658)	(1672278)	(12127593)	(2315582)	(2498907)	(10370825)	(2564615)	(1730916)	(597764)

May'18	June'18	July'18	Aug'18	Sep'18	Oct'18	Nov'18	Dec'18
144188	561198	285996	(495316)	(476721)	(920653)	14,99,354	17,81,621

Table 6:

The average payable period of Cosmopolitan Communications Ltd. :

Account Payable period	94 days
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