



**“Financial Performance Evaluation of
YELLOW BY BEXIMCO.”**



Inspiring Excellence

Internship Report

“Financial Performance Evaluation of Yellow by Beximco.”

SUBMITTED TO

**Riyashad Ahmed
Assistant Professor
BRAC Business School
BRAC University**

SUBMITTED BY

MD. Tanvir Hossain

ID 11304100

Date
RiyashadAhamed
Assistant professor
BRAC University
Mohakhali, Dhaka Bangladesh

Subject: Internship Completion Report on “Financial Performance Evaluation of yellow By BEXIMCO.”

Dear sir,

I take the pleasure to submit my Internship Report, which is a requirement for my Internship and this internship program has given me the experience of working in a renowned manufacturing organization and on job training which has definitely enriched my knowledge. During the three months internship period, I was assigned to prepare a report on the topic **“Financial Performance Evolution of Yellow by BEXIMCO.”** This report gave me the opportunity to apply and match my theoretical knowledge in the organization, which will be a great help for me in the future.

I sincerely hope that you will enjoy reading this report and also will consider this as a resourceful one. Last but not least, I appreciate this opportunity to show my profound gratitude to you for sparing your valuable time, guidance, constant effort and prompt attention as and when required for accomplishing this report.

Yours sincerely,

MD. Tanvir Hossain

ID: 11304100

Department: BBS

BRAC University

Acknowledgement

With the help of the Almighty God it has been possible for me to perform the internship program in Finance and Account department of “Yellow By BEXIMCO” and write a report on “Financial Performance Evaluation “Yellow By BEXIMCO”

It is my pleasure to thank the respected faculty of the business school of BRAC university for assigning this expertise knowledge and giving me opportunity of practical exposure through this report.

My deepest appreciation goes to **Mr. Riyashad Ahamed, Assistant Professor of BRACU**, who has acted as my academic internship supervisor. His help, guidance and constructive comments were outstanding in the completion of this work.

I take the opportunity to express my sincere gratitude and respect **Mr. Shayriar H. Burney Executive Director** for accepting me to work in Yellow By BEXIMCO. Then I express my profound gratitude to Mr. Nasimul Hossain, Senior manager for his constant support, guidance and supervision on my work in Yellow. I will ever grateful to him for his kind support, inspiration and open minded behavior which he has shown towards me during preparing my internship report. Without his cooperation this report might have remained incomplete.

Lastly I would like to give my special; thanks and inexpressible greets to my inmates, both seniors and fellow BBA students and others for giving me good advice, suggestions, inspiration and support. Thanks to all.

Table of Contents

CHAPTER-1	8
1.1 INTRODUCTION	8
1.2 ORIGIN OF THE REPORT:	8
1.3 OBJECTIVE OF THE REPORT:.....	10
1.4 SCOPE OF THE REPORT:	11
1.5 METHODOLOGY:	11
1.6 Sources of Data:	12
1.6.1 Primary Sources:	12
1.6.2 Secondary Sources:	12
1.7 Data Collection Technique:	12
1.8 LIMITATIONS:	13
CHAPTER-2	14
<i>OVERVIEW OF BEXIMCO AND BEXIMCO TEXTILE</i>	14
2.1 <i>INTRODUCTION OF BEXIMCO:</i>	14
2.2 HISTORICAL BACKGROUND OF BEXIMCO:	15
2.3 OVERVIEW OF BEXIMCO TEXTILE:.....	16
2.4 Mission:.....	17
2.5 Vision:.....	17
2.6 Commitment to the Environment:	17
2.7 . CORPORATE GOVERNANCE:.....	18
2.7.1 Internal Financial Control:.....	18
2.7.2 Statement Of Directors' Responsibilities For Preparation And Presentation Of The Financial Statements:.....	19
2.8 PRODUCTS of BEXTEX:	20
2.8.1 Yarn Products	20
2.8.2 Fabric Products	20
2.8.3 Knit Products.....	21



2.8.4	Denim Products.....	21
2.8.5	Special Yarn products.....	22
2.8.6	Unique Wrinkle free Products.....	22
2.9	Company Organogram:.....	23
CHAPTER-3		24
YELLOW & DESCRIPTION OF THE JOB		24
3.1	YELLOW by BEXIMCO:.....	24
3.2	Yellow Product Categories:.....	25
3.2.1	The Yellow Man:.....	25
3.2.2	The Yellow Woman:.....	25
3.2.3	The Yellow Kid:.....	26
3.3	ACCOUNTS & FINANCE DEPARTMENT OF YELLOW:.....	27
3.3.1	To keep a detailed report of daily sales:.....	28
3.3.2	To maintain daily cashbook:.....	28
3.3.3	To manage the expenses:.....	28
3.3.4	To Do All Kind Of Payments Including Salaries:.....	30
3.3.5	To Keep Journals Of Every Transaction:.....	30
3.3.6	To Keep Control Over The Inventories:.....	30
3.3.7	To Prepare Financial Statements:.....	31
3.3.8	To Forecast About The Future (Long term and Short term):.....	31
3.4	DESCRIPTION OF THE JOB:.....	32
3.4.1	Receiving bills:.....	32
3.4.2	Correcting Bills:.....	33
3.4.3	Give Journal Entries:.....	33
3.4.4	Checking Payments:.....	33
3.4.5	Bank Reconciliation:.....	33
3.4.6	Overall Helping The Accounts People:.....	33
CHAPTER-4		34
FINANCIAL STATEMENT ANALYSIS		34
4.1	FINANCIAL STATEMENTS:.....	34
4.2	NEED FOR FINANCIAL STATEMENT ANALYSIS:.....	36

4.3	RATIO ANALYSIS:	37
4.4	Liquidity Analysis:.....	38
4.4.1	Current Ratio:.....	38
4.4.2	Quick Ratio:.....	40
4.5	Profitability Analysis:.....	41
4.5.1	Gross Margin:.....	41
4.5.2	Operating Margin:.....	42
4.5.3	Net Profit Margin:	43
4.5.4	ROA (Return On Asset):.....	44
4.5.5	ROE (Return on Equity):	45
4.6	Activity/Asset management Analysis:.....	46
4.6.1	Inventory Turnover Ratio:.....	47
4.6.2	Asset Turnover Ratio:.....	48
4.6.3	Fixed Assets Turnover Ratio:.....	49
4.6.4	No. of Days Sales/receivables Outstanding:	50
4.6.5	Average payment period:	52
4.7	Debt Management Ratio Analysis:.....	53
4.7.1	Debt to asset ratio :.....	53
4.7.2	Times Interest Earned (TIE):.....	54
	Chapter-5 Recommendation:	56
	Chapter 6- Conclusion:.....	57
	Chapter 7-Reference.....	58

Executive summary

Yellow is a design driven brand that celebrates creative and original thinking to highlight a lighthearted and optimistic view of life through a superior quality product. Yellow started its journey from 2004 in a very short premise. Now it has gone international.

There is no annual report available for YELLOW for general people. YELLOW is a part of BEXTEX Ltd. Financial reports are made under BEXTEX'S name by summing all the firms' expenses and earnings, who are under BEXTEX Ltd. No financial reports are published under the name of *YELLOW* or other firms who belongs to BEXTEX Ltd. But as I worked as an intern in the company, I had access in the internal data. That's why I got few financial statements and I have worked with that information.

This report applies Financial Performance Yellow by Beximco. . Different financial ratios are evaluated such as liquidity ratios, asset management ratios, profitability ratios, debt management ratios and finally measure the best performance of the company. The graphical analysis and comparisons are applied for the measurement of all types of financial ratio analysis

I hope this report will help the concerned management to take ideas about the past performance and avoid the short comes and take the positive aspects to apply in future.

1 CHAPTER-1

1.1 INTRODUCTION

Now a day's Internship is getting admired because students are getting introduced with the real world. Internship program is a compulsory 4-credit course, which provides us with the opportunity to gain practical knowledge about the corporate world.

Now the world is very much competitive. So everybody has to be expert in his/her field both practically and theoretically. As BRAC University aims to provide the students a complete knowledge of both theoretical and practical part of the real corporate world where they will enter after the completion of their BBA program, Internship course and its report is a significant aspect in the direction of accomplishing the goal. It is a systematic process for gathering, recording and analyzing of data about the topic that a student gets to learn from the program, moreover this program will also help students to make a meaningful connection between the theoretical knowledge with the practical world.

1.2 ORIGIN OF THE REPORT:

The report is originated to make a study on the accounting system, and financial condition of Yellow by Beximco as a part of the fulfillment of internship program required for the completion of BBA program of BRAC University. This topic was assigned to me by my course instructor Mr. Riyashad Ahmed, Assistant Professor & Coordinator, EMBA Program, BRAC University. Being an intern the main challenge was to translate the theoretical concepts into real life experience. I have tried my level best to make this program and the study an excellent one. I have used all the latest data and information in completing my report. I have been serving this company as an intern under Accounts and Finance Department for three months.

This internship program and the study have following purposes:

- ✓ To get and organize detail knowledge on the job responsibility.
- ✓ To experience the real corporate world.
- ✓ To experience the role of a team player.
- ✓ To compare the real scenario with the lessons learned in the University
- ✓ To fulfill the requirement of BBA Program.
- ✓ To get a general idea about operating procedures and functions of Accounts and Finance Department of Yellow.
- ✓ To get idea about purchase documentation & payment procedures;
- ✓ How the chain works are completing.

This report is the result of three months long internship program conducted in Yellow and is prepared as a requirement for the completion of the BBA program of BRAC University. My report is mainly based on the “Financial Statement Analysis” of YELLOW BY BEXIMCO. This analysis is based on the last 2years(2013 and 2014) financial data of the company. This report also includes information on the products and services of *Yellow* and *BEXIMCO TEXTILE* Limited, the overview of the organization and also my experience of working as an intern in *Yellow*.

1.3 OBJECTIVE OF THE REPORT:

The objective of the report can be viewed in two forms:

- General Objective
- Specific Objective

1.3.1.1.1 General Objective:

This internship report is prepared primarily to fulfill the Bachelor of Business Administration (B.B.A) degree requirement under Mr. Riyashad Ahmed, Assistant Professor and Coordinator, EMBA Program, BRAC University

1.3.1.2 Specific Objective:

More specifically the objective of this report is to show what are the major functions of Accounts and Finance Departments at YELLOW and their financial condition. After reading this report readers will have knowledge about the following issues:

- ✓ An overview of YELLOW and BEXIMCO Textiles Limited;
- ✓ Products and Services of YELLOW and BEXIMCO Textiles Limited;
- ✓ Details analysis of the Financial Statements of years 2010 and 2011 of the company;
- ✓ How the real corporate world works;
- ✓ How to face and behave in a critical situation;
- ✓ Logical decision based on the analysis;

- ✓ Experience that I had in the company while working as an intern;

1.4 SCOPE OF THE REPORT:

The main intention of the study is to analyze the financial statements. This report will give an overall idea about the financial situation of *YELLOW* for the year 2010 and 2011 and correlate them to get a clear picture of the company's current as well as future opportunities and threats of the company. The report covers details about *YELLOW*, over view of *BEXIMCO TEXTILE*, details about my job responsibilities and a detailed analysis of the company's 2010-11 years financial statements.

1.5 METHODOLOGY:

The whole procedure stated when I submitted my CV to Yellow and got a call from them for interview. I had to go through several interviews with Executive Directors and other personnel's in their Head office. After giving all these interviews I was called for internship in *Yellow*.

I have started my internship program from *17th May 2015*, Mr. Riyashad Ahmed, Assistant Professor and Coordinator, EMBA Program, BRAC University and my job supervisor

MR. Nasiml Hossain, Senior Manager of Yellow. Both of them were very helpful. I thank both of them for their support.

This report contains both *Qualitative* and *Quantitative* analyses. In qualitative part I have discussed about the SWOT, Porters 5 factor analyses. In quantitative part I have analyses the financial statement with the help of ratio.

To make the report more meaningful and presentable, two sources of data and information were used widely. Both primary and secondary data sources were used to prepare this report.

1.6 Sources of Data:

1.6.1 Primary Sources:

Primary Data was derived from the practical deskwork and careful observation of various action of related section of that particular department. Furthermore, Primary data that are mainly used are from different persons directly related to Finance and Accounting Department of Yellow.

1.6.2 Secondary Sources:

Internal sources: Different documents provided by concerned officers, Annual Reports and different circulars, manuals and files of the organization.

External sources: There are some records collected from various resources of the company. These sources are different journals, yearbooks, websites and etc.

1.7 Data Collection Technique:

Primary data that are mainly used are from different persons directly related to Finance and Accounts Department of YELLOW. I had personal conversations with them regarding the collection of data. It should be mentioned here that all the officers were very much helpful. The secondary data are mainly collected through different Annual Reports, journals, yearbooks, websites and etc.

After collecting all this data I brought this data home and I have analyzed them. I have shown graphical representation of these data. I have done *Macro* scenario analyses as

well as few *Micro* scenario analyses. Discuss the market and firms condition, find out the short comes and gave some suggestions for YELLOW.

1.8 LIMITATIONS:

The major limitation for this report is the time obstacle. This is such a vast study to finish in only in 12/14 weeks. The money needed for this type of project is huge and I, as a student, didn't have the fund available. Some people were reluctant to provide feedback. Some concerned might think that the information associated with them were confidential enough to disclose to the external world. I only worked at the Accounts & Finance division, and it was quite difficult to understand about the procedure and the extent to which employees were satisfied in the other division. It is because of the lack of information some assumptions were made. So there may be some hypothetical information in the report. In spite of these limitations I tried to give my best effort to take the report to the desired level.

2 CHAPTER-2

OVERVIEW OF BEXIMCO AND BEXIMCO TEXTILE

This chapter emphasizes on the introduction of *BEXIMCO TEXTILE LTD*, historical background of the company, overview of the company, their product and services, their mission, vision etc.

Science *YELLOW* is a firm under BEXIMCO we need to know about the mother company.

2.1 INTRODUCTION OF BEXIMCO:

The BEXIMCO Group is the largest private sector conglomerate in Bangladesh. As BEXIMCO has grown over the years, the flagship platform now has operations and investments across a wide range of industries including textiles, trading, marine food, real estate development, construction, information and communication technologies, media, ceramics, pharmaceuticals, financial services and energy. The Group sells its products and services in the domestic Bangladesh market as well as international markets. BEXIMCO is the largest employer in the private sector in Bangladesh and employs over 48,000 people worldwide.

BEXIMCO encompasses one of South Asia's largest vertically integrated textile and garment companies. The Textile division is a fully integrated manufacturer of cotton and polyester blended garments for men, women and children, both for domestic and export markets. BEXIMCO is also the largest exporter of pharmaceuticals in Bangladesh with a presence in 45 countries. The Pharmaceuticals division manufactures and sells generic pharmaceutical formulation products, active pharmaceutical ingredients (API) and intravenous (IV) fluids. The Group is also the largest ceramics exporter and has an investment in GMG Airlines, the largest private commercial airline in Bangladesh and in Unique Hotels & Resorts, which owns the Westin Hotel in Bangladesh.



Beximco Textiles Ltd is a member of Beximco group. It is one of South Asia's largest vertically integrated textile and garment companies with in-house analytical and creative abilities. Beximco Textiles is the result of merging Beximco Knitting Ltd, Beximco Denim Ltd, Freshtex together. It also includes garments factories they are SS Fashion, Padma Textiles, Dacca Fashion, IKAL 1, IKAL 2 and CFDL.

Over the years, BEXIMCO has developed in-house design capabilities with teams based in Bangladesh and Spain. Furthermore it has partnered with some of the world's renowned design institutes, including Fashion Institute of Technology, Parsons, London School of Fashions, NIFT and NID, for access to talented designers. The Group has built strong working relationships with its core clients through a continuous dialogue. The Group's technology partners include Invista, Huntsman, CHT, Rudof and Clariant. Key clients include American Eagle, Arcadia Group, Calvin Klein, H&M, JC Penney, Macy's, Tommy Hilfiger, Warnaco and Zara. The Group is planning to expand the textiles business through capacity additions. Post expansion, the annual capacity of knit fabric is expected to increase to 80 million lbs from 11 million lbs currently and the annual capacity of apparel knits is expected to reach 145 million pieces from 20 million pieces currently.

2.2 HISTORICAL BACKGROUND OF BEXIMCO:

Today the BEXIMCO Group ("BEXIMCO" or the "Group") is the largest private sector group in Bangladesh. BEXIMCO was founded in the 1970's by two brothers – Ahmed Sohail Fasiur Rahman and Ahmed Salman Fazlur Rahman. Since the early days, the Group has evolved from being primarily a commodities trading company to a leading, diversified group with a presence in industry sectors that account for nearly 75% of Bangladesh's GDP. BEXIMCO's corporate mission is "*Taking Bangladesh to the world*".

Beximco textile Ltd. (the "Company") was incorporated in Bangladesh as a Public Limited Company with limited liability on 8 March 1994 and commenced commercial operation in 1995 and also went into the public issue of shares and debentures in the same year. The shares of the Company are listed in the Dhaka and Chittagong Stock Exchanges of Bangladesh.



Beximco Synthetics Limited, a member of BEXIMCO Group, has been a manufacturer of Polyester Filament Yarns, namely, Partially Oriented Yarn (POY) and Draw Texturized Filament Yarn (DTFY) since July 1, 1994 and has an annual production capacity of 28 million linear meters.

2.3 OVERVIEW OF BEXIMCO TEXTILE:

BEXITEX Ltd. (Beximco Textile Ltd.) is the most modern composite mill in the region. BEXITEX Ltd. has an installed capacity of 288 high-speed air-jet looms in its weaving section and a high-tech dyeing and finishing section with a capacity of 100,000 yards of finished fabric per day. This company is located at the Beximco Industrial Park. BEXITEX Ltd. has a state of the art composite knit fabric production mill, which serves the growing needs of high-quality knit garments exporters in Bangladesh. The project was set up as a state of the art knit fabric knitting, dyeing and finishing facility. During the year the Company produced and sold high quality of knit fabrics and bringing forth all the latest in hardware (Machines) and soft technologies in knitting, dyeing and finishing of knit fabric.

BEXITEX Ltd. also has cotton and polyester blended yarn-spinning mill, with 122,000 yards spindles per day and is one of the largest spinning mills of the country. The mill was set up to feed the country's export oriented industries. BEXITEX Ltd. produces specialized finishes of denim cloth for export in finished as well as cloth only form.

2.4 Mission:

BEXTEX Ltd. is a full service vendor with strong vertically integrated production facilities as well as creative & analytical capabilities which clearly set us apart from most other South Asian vendors. Each of our activities must benefit and add value to the common wealth of our society. We firmly believe that, in the final analysis we are accountable to each of the constituents with whom we interact; namely: our employees, our customers, our business associates, our fellow citizens and our shareholders.

2.5 Vision:

- Gain market leadership in high value added apparel in USA & Europe.
- Use “Innovation” & “Speed” as prime drivers, rather than cotton & cheap labor.
- Dominate these markets in high quality:
 - ✓ Men's, Women's , Children
 - ✓ Shirts (Dress & Casual)
 - ✓ Blouses (formal & casual) , Skirts, Jackets
 - ✓ Jeans & Casual non - denim bottoms
 - ✓ Knitted tops & bottoms

2.6 Commitment to the Environment:

BEXIMCO TEXRILE Ltd. is very committed to preserve a healthy and pollution-free environment. It has a very efficient waste collection and disposal system. In order to reduce air pollution by exhaust of gas from engine-generators, it maintains a costly plant that uses the exhaust gas to generate steam for chilling unit. Above measures not only help keep the water & air free from pollution but also help save cost of water treatment & air conditioning. The company uses only AZO-free dyes and is dedicated to ensure a healthy and eco-friendly environment. Beside all this to keep the environment fresh Bextex has planted lots of trees inside the ‘Beximco Industrial Park’, which also makes the place look attractive.

2.7 . CORPORATE GOVERNANCE:

The maintenance of effective corporate governance remains a key priority of the Board of BEXTEX Limited. Recognizing the importance of it, the board and other senior management remained committed to high standards of corporate governance. To exercise clarity about directors' responsibilities towards the shareholders, corporate governance must be dynamic and remain focused to the business objectives of the Company and create a culture of openness and accountability. Keeping this in mind, clear structure and accountabilities supported by well understood policies and procedures to guide the activities of Company's management, both in its day-to-day business and in the areas associated with internal control have been instituted.

2.7.1 Internal Financial Control:

The directors are responsible for the Company's system of internal financial control. Although no system of internal control can provide absolute assurance against material misstatement and loss, the Company's system is designed to provide the directors with reasonable assurance that problems are timely identified and dealt with appropriately. Key procedures to provide effective internal financial control can be described in following heads:

Management structure:The Company is operating through a well defined management structure headed by chief executive officer (CEO) under whom there is executive directors, general managers for various departments and according to hierarchy, various senior and mid level management staffs. The CEO and the executive directors, general managers meet at regular intervals represented also by finance, marketing and personnel heads.

Budgeting: There is comprehensive management reporting disciplines which involve the preparation of annual budgets by all operating departments. Executive management reviews the budgets and actual results are reported against the budget and revised forecasts are prepared at regular intervals.

Asset management: The Company has sound asset management policy, which reasonably assures the safeguarding of assets against unauthorized use or disposition. The Company also follows proper records and policy regarding capital expenditures.

Functional reporting: In pursuance with keeping the reliability of financial information used within the business or for publication, the management has identified some key areas which are subject to monthly reporting to the chairman of the board. These include monthly treasury operations and financial statements. Other areas are also given emphasis by reviewing on a quarterly basis. These include information for strategy, environmental and insurance matters.

2.7.2 Statement Of Directors' Responsibilities For Preparation And Presentation Of The Financial Statements:

The following statement is made with a view to distinguishing for shareholders the respective responsibilities of the directors and the auditors in relation to the financial statements. The Companies Act, 1994 requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the company as at the end of the financial year and of the profit for the year to that date. In preparing those financial statements, the directors:

- select suitable accounting policies and then apply them in a consistent manner;
- make reasonable and prudent judgments and estimates where necessary;
- state whether all applicable accounting standards have been followed, subject to any material departures disclosed and explained in the notes to the financial statements;
- take such steps as are reasonably open to them to safeguard the assets of the Company and to prevent and detect fraud and other irregularities;
- ensure that the Company keeps accounting records which disclose with reasonable accuracy the financial position of the Company;

- ensure that the financial statements comply with disclosure requirements of the Companies Act, 1994 and the Securities and Exchange Rules, 1987; and
- prepare the financial statements on a going concern basis unless it is inappropriate to presume that the Company will continue in business.

2.8 PRODUCTS of BEXTEX:

2.8.1 Yarn Products

- ✓ Count - Ranging from 6 – 120
- ✓ Fiber - Cotton (super – combed, combed, carded)
- ✓ CVC - 60% cotton, 40% polyester
- ✓ TC - 65% polyester-35% cotton; 100% polyester both regular and sewing thread
Lyocell, Tencel, Modal, Rayon, Viscose etc

2.8.2 Fabric Products

- ✓ Poplins
- ✓ Twills
- ✓ Oxfords
- ✓ Seersuckers
- ✓ Canvas
- ✓ Rib stops in 100% Combed Cotton
- ✓ CVC and CVS/TC
- ✓ Stretch
- ✓ Wrinkle Free
- ✓ Easy Care
- ✓ Peach
- ✓ Chintz
- ✓ Paper Touch

- ✓ Teflon Coated
- ✓ Water Repellent
- ✓ Water Resistance
- ✓ Rubberized

2.8.3 Knit Products

- ✓ Jersey : In 100% Combed Cotton, CVC, CVS/TC, and Lycra mix
- ✓ Polo Pique : In 100% Combed Cotton, CVC and CVS/TC
- ✓ Back Pique : In 100% Combed Cotton, CVC and CVS/TC
- ✓ Herringbone : In 100% Combed Cotton and CVS/TC
- ✓ Popcorn : In 100% Combed Cotton and CVS/TC
- ✓ Bubble Knit : In 100% Combed Cotton, CVC and CVS/TC
- ✓ Crepe : In 100% Combed Cotton and CVS/TC
- ✓ Engineering Stripe : In 100% Combed Cotton and CVS/TC
- ✓ Feeder Stripe : In 100% Combed Cotton and CVS/TC
- ✓ Auto Stripe : In 100% Combed Cotton and CVS/TC
- ✓ Rib : In 100% Combed Cotton and CVS/TC
- ✓ Jacquard : In 100% Combed Cotton and CVS/TC

2.8.4 Denim Products

- ✓ Chambray : In classic indigo colors ranging from 4oz to 5.5oz/Yd2
- ✓ Denim (blue) : In classic indigo colors ranging from 4oz to 15oz/ Yd2
- ✓ Denim (black) : In sulfur black colors ranging from 4oz to 15oz/ Yd2
- ✓ Colored Denim : In a variety of colors - both in sulfur & reactive dyes(warp dyed)
- ✓ Over dyed Denim : In a variety of colors on indigo blue & sulfur black



- ✓ Bull Denim : In a variety of reactive colors ranging from 10oz to 13oz/ Yd2 (piece dyed)
- ✓ Stretch Denim : In classic indigo colors ranging from 4.5 oz to 13.75 oz/Yd2

2.8.5 Special Yarn products

- ✓ Plied Yarn
- ✓ Fancy Yarn
- ✓ Slub Yarn (7's to 20's)
- ✓ Stretch both Lycra (10's to 40's) and Spandex and other Core Spun
- ✓ Multi count
- ✓ Multi Twist etc.

2.8.6 Unique Wrinkle free Products

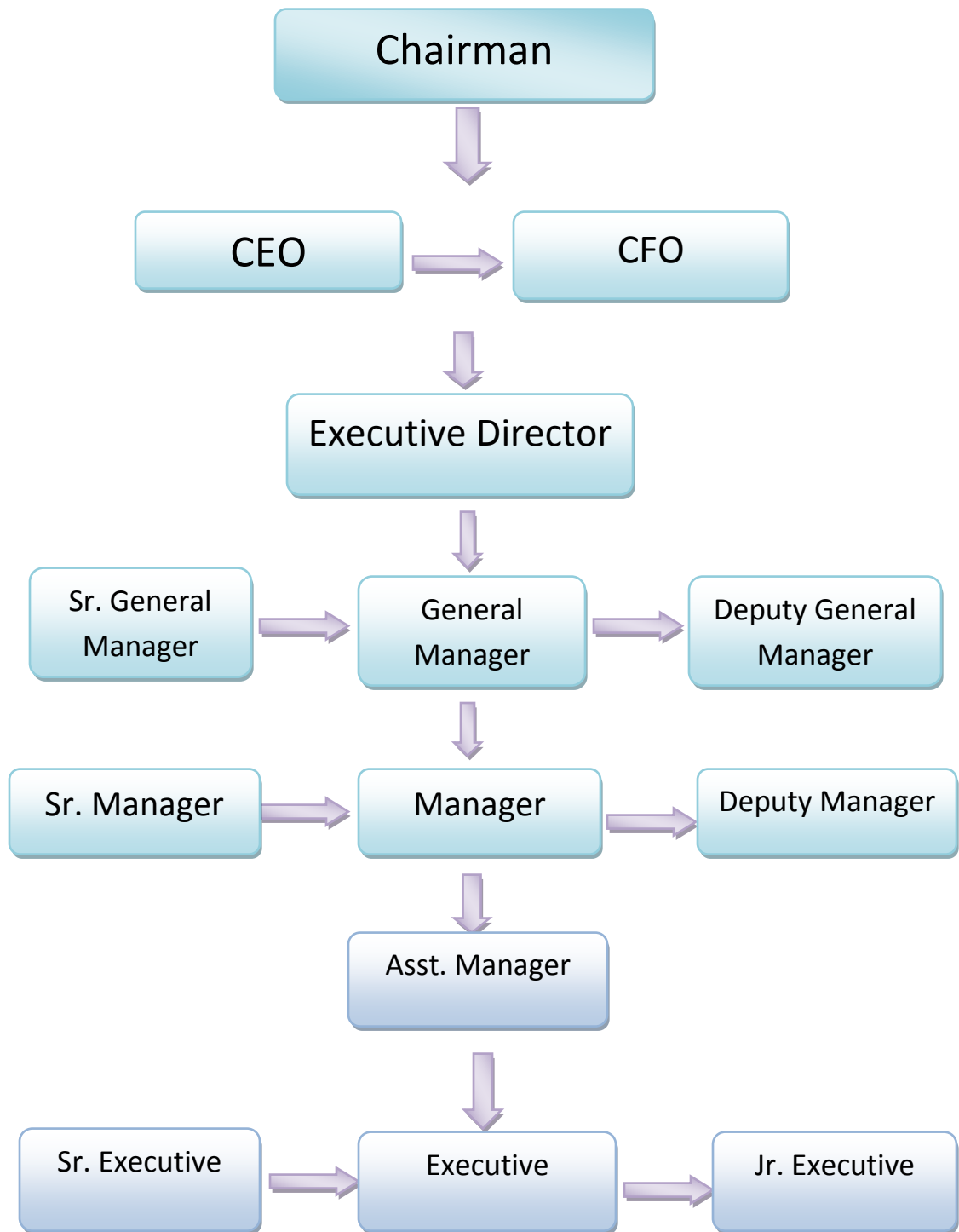
CORTEK-2000

Embedded filament core that makes it permanently wrinkle-free, no resins or chemicals are used making the fabric ecologically friendly as well as highly durable. The technology provides the soft, natural comfort of cotton and the wrinkle-free convenience and strength of synthetic fiber. Beximco is the manufacturer and exclusive licensee in Bangladesh of Cortex-2000, USA.

COTRA DP 3.5 +

This is a 100% cotton fabric, which is chemically, treated in a hi-tech procure process which is safe, clean and ecologically friendly. The result achieved meets a durable press rating of dp 3.5+ (aatcc - 124). Previously, this result could only be achieved by ammonia processing which is rapidly becoming obsolete, as it is hazardous to health and environment. Beximco is the manufacturer and exclusive licensee in Bangladesh of Cotra DP 3.5 +, USA

2.9 Company Organogram:



3 CHAPTER-3

YELLOW & DESCRIPTION OF THE JOB

3.1 YELLOW by BEXIMCO:

BEXIMCO Group is also present in retail apparel through “Yellow”, a youthful brand sold through BEXIMCO owned outlets. Yellow is a design driven brand that celebrates creative and original thinking to highlight a lighthearted and optimistic view of life through a superior quality product. Yellow captures a modern interpretation of fashion and relaxed attitude expresses a comfortable and confident quality. The adventurous spirit of the line is built from BEXIMCO Group's heritage in innovation and living a life full of passion that is open to discovery. Yellow is inspired by its customers; Unconventional yet high-quality.

Yellow started its journey from 2004 in a very short premise. Now it has gone international. At present yellow have 11 outlets in Bangladesh and 4 outlets in Pakistan.

There is no annual report available for YELLOW for general people. YELLOW is a part of BEXTEX Ltd. Financial reports are made under BEXTEX'S name by summing all the firms' expenses and earnings, who are under BEXTEX Ltd. No financial reports are published under the name of *YELLOW* or other firms who belongs to BEXTEX Ltd. But as I worked as an intern in the company, I had access in the internal data. That's why I got few financial statements and I have worked with that information.

3.2 Yellow Product Categories:

Yellow has a wide range of clothing products for man, woman and kids. It also sells accessories that include wallet, belt, socks, women purse, ornaments, shoes etc.

3.2.1 The Yellow Man:

Yellow is very much successful by its men products. Its men products include the following items:

- ✓ Formal shirts
- ✓ Casual shirts
- ✓ Polo shirts
- ✓ T-shirts
- ✓ Punjabis
- ✓ Pajama
- ✓ Formal pants
- ✓ Casual pants
- ✓ Sweaters & Jackets
- ✓ Blazers
- ✓ Shoes
- ✓ Accessories

Yellow believes that their clothes reflects confident, intelligent and successful individual who believes in making his own destiny. Yellow compliments one's lifestyle by offering products for every occasion. From office mornings to an evening with friends, Yellow answers one's need for individuality, quality and style by providing superior, fashion forward products.

3.2.2 The Yellow Woman:

Yellow offers a wide range of products for women especially for young girls. Their products include high quality western outfits as well as outfits that combine both western and Bangladeshi culture. Following items are provided by yellow for women:

- ✓ Knit Top
- ✓ Woven Top
- ✓ Denim Bottom
- ✓ Casual Bottom
- ✓ Legging
- ✓ Shoe
- ✓ Accessories
- ✓ Sweater & Jacket
- ✓ Luxurious Lawn

They believe that their outfits give a stylish, intelligent and confident look. These wardrobes compliment modern lifestyle. They are on top of the fashion trends and confirm with high standards of quality and reflect young and lighthearted approach to life.

Yellow makes dresses that suits one up in semi-casual attire for business meetings, and provide the matching accessories to go with that. Yellow products are inspired by their young, confident and successful customers.

3.2.3 The Yellow Kid:

Yellow has a wide range of clothing for both boys and girls kids. They are very conscious about the quality of these products. Yellow kids clothing are as follow:

➤ Kids Boys:

- ✓ Boys Panjabi
- ✓ Polo shirt
- ✓ T-Shirt
- ✓ Boys pajama
- ✓ Denim pant
- ✓ Short pant
- ✓ Sweater & Jacket
- ✓ Boys Set

➤ Kids Girls:

- ✓ Woven Top
- ✓ Knit Top
- ✓ Bottom
- ✓ Girls Set
- ✓ Sweater & Jacket

3.3 ACCOUNTS & FINANCE DEPARTMENT OF YELLOW:

I am doing my internship at the Accounts & Finance department of Yellow. The responsibilities of this department are to maintain and control each and every perspective related to accounts and finance. The main responsibilities of Accounts department are as follow:

- To keep a detailed report of daily sales.
- To maintain daily cashbook.
- To manage the expenses.
- To do all kind of payments including salaries.
- To keep journals of every transaction.
- To keep control over the inventories.
- To prepare financial statements.
- To do the forecast about the future Sales and Expenses.
- To do the other accounts related work.

These responsibilities are discussed in details in this section:

3.3.1 To keep a detailed report of daily sales:

Everyday a good number of sales are made in each outlets of yellow. These sales include both cash and card sales. Card sales are transferred directly to the banks. The sales that are done in cash those reports are sent daily by the shop in-charges to the accounts department. They send these reports via mail and SMS. Based on these reports and bank statements a daily cash report is prepared. At the end of the month all the detailed financial statements and day to day expense reports are also sent to the accounts department. This monthly reports are then checked with the inventory, cash amount and card deposit in the banks. These monthly reports are sent through courier (mail).

3.3.2 To maintain daily cashbook:

Another important responsibility of the department is to maintain daily cashbook. In this cashbook only the cash transactions are included. This report helps to comprehend the current cash position of the company that is really important to distinguish. Cash transactions like cash sales, expenses that are made in cash, other cash receipt etc are incorporated in the cashbook. In the cash book these transactions are entered on a daily basis. This is very supportive while preparing the financial statements at the end of the month as well as end of the year.

3.3.3 To manage the expenses:

Everyday various kinds of expenses take place both in the shops and the corporate office. All these expenses are controlled by this department. There are two kinds of expenses that are made. They are

- Fixed Expenses and
- Variable Expenses

Fixed Expenses: Fixed expenses are predetermined in nature and do not change repeatedly. They are usually preset and are made after a certain period. These expenses are comparatively less frequent and usually in large amount than the variable expenses. **For example:** Store rent, utility bills, salary, transportation cost, etc are some of the expenses of their fixed expenses.

Variable Expenses: As we know variable expenses are inconsistent in nature. There is no specific time or period assigned for these kinds of expenses. The payment of various fabric bills, accessories bills, conveyance, and shop maintenance expense, various head office expenses and factory expenses etc are the example of variable expenses.

These expenses are again divided into three categories. They are Factory related expenses, Head Office related expenses and Shop related expenses. Under these expense head the following expenses are incorporated;

- **Factory Related Expenses:**

- ✓ Factory worker wages.
- ✓ Workers benefit.
- ✓ Factory rent.
- ✓ Machine rent.
- ✓ Power & utilities.
- ✓ Repair and maintenance.
- ✓ Other manufacturing expenses.
- ✓ Depreciation.

- **Head Office Related Expenses:**

- ✓ Local Officers Salary.
- ✓ Local officers benefit.
- ✓ Expat salaries.
- ✓ Expat benefits.
- ✓

- **Shop Related Expenses:**

- ✓ Shop employee's salaries.
- ✓ Shop administrative expenses.
- ✓ Shop rent.

3.3.4 To Do All Kind Of Payments Including Salaries:

The yellow accounts department performs the responsibilities of doing all the payments of both the fixed and variable expenses. These payments are made from the income earned by sales and other income sources. They execute these payments by both cash and bankcheques. Every cheque has to sign by the Head of Account of Beximco Textile. Yellow is currently using IFIC Bank accounts for their payments.

3.3.5 To Keep Journals Of Every Transaction:

Accounts department have to keep journals of the transactions that are made daily. For these journal entries they use their own software named FellowBTX. These entries are divided into some different categories of journals. They are the journal entries of cash payment journal, sales journal, bank payments, contra entries, cash received and bank received. Different head transactions are made under different groups that are categorized in the mentioned software. These journals are then automatically moved to ledger accounts. These accounts are checked regularly to keep match with the actual expenses and income.

3.3.6 To Keep Control Over The Inventories:

Inventories are considered as asset for a company. Fabrics and accessories that are purchased for making finished products are the inventories of yellow. Though inventories are assets for a company but access of inventories is bad for the company. All the financial records of the inventories are kept by this department. They monthly check the closing stocks and monitor the overall condition of inventories. This department tries to keep a balance between the demand and supply available in the inventory.

3.3.7 To Prepare Financial Statements:

Financial statements are the reflection of a company's overall status. These financial statements include the Profit & Loss statement, Cash flow statement and the Balance Sheet. The accounts and finance department of yellow performs the duty of preparing these financial statements. They prepare the Profit & Loss statement monthly, Cash flow statement periodically and Balance sheet on yearly basis.

3.3.8 To Forecast About The Future (Long term and Short term):

They forecast about the future sales based on the previous data. This helps to understand what will be the condition of the firm in future. They also forecast about future investment whether that will be profitable or not. This forecasting helps to invest in profitable projects and to take necessary steps to increase the sales volume.

3.4 DESCRIPTION OF THE JOB:

In my 12 week work experience I go through different responsibilities, training, one to one conversation, team meeting etc. All the people over here treat me as a permanent employee that helps me a lot to learn things quickly and experience the real environment of the corporate world. People who are working here are very friendly and the working environment is very good.

As an intern I was involved in different sort of activities. Among them my key responsibilities are listed below:

- Receiving bills.
- Correcting bills.
- Giving Journal Entries.
- Check payments.
- Fabric receives report.
- Bank Reconciliation.
- Summarizing The Cash Deposit by all the Stores.
- Checking Daily Expenses of the shops.
- Overall helping the accounts people.
- Looking into the error made by Yellow café Accounts and provide amendments.

3.4.1 Receiving bills:

Every day numbers of bills of different fabrics, accessories and other purposes come from different suppliers. Along with these bills some important papers have to be attached and checked by material checking centre and Bextex Security Service. The papers that require to be attached are the *Invoice*, *P.O.* (Purchase Order) of the materials, the *MRIR* (Material Receiving and Inspection Report). On these bills there should be sign of certain people also. By checking all these attachments and requirements one bill has to be received. Afterwards the bills are corrected and forwarded for payment.

3.4.2 Correcting Bills:

After receiving the bills the next step is to correct them. Matching the received quantity with the ordered quantity, distinguishing between the MRIR(Material Received and Inspection Report) received quantity and invoice quantity, eliminating the rejected materials from the actual bill, recheck the calculation etc are the procedure of correcting a bill. After the correction these bills are forwarded for the further process of payment.

3.4.3 Give Journal Entries:

I give the journal entries of different transactions. So far I have learned to give the entries of bank payment transactions, sales transactions and cash payment transactions. I give these entries in the company's software and then the software does the rest.

3.4.4 Checking Payments:

There are many suppliers for *YELLOW* and we have to pay our suppliers. So we have to keep a record of our supplier's dues and payments. All this payments are made by cheque. When this payments are made to a party we keep this record on that parties excel sheet and also in the software by giving journal entries. This helps us to calculate the dues of our suppliers.

3.4.5 Bank Reconciliation:

In Bank Reconciliation we keep the record of records of Cash Deposit, Card Deposit and Cheque Withdraw. From this statement we can know about our bank balance and what will be balance if all the issued cheque withdrawn from the bank.

3.4.6 Overall Helping The Accounts People:

Overall helping and working with the accountants was also my responsibility. Expense reimbursements, making discount, calculation of Leftover Items report etc are some examples of my activities.

4 CHAPTER-4

FINANCIAL STATEMENT ANALYSIS

4.1 FINANCIAL STATEMENTS:

The Accounting process or financial reporting system, which generates financial information for external users, encompasses five principal financial statements:

- Balance sheet (statement of financial position)
- Income statement (statement of earnings)
- Statement of cash flows
- Statement of stockholders' equity

Financial statements provide information about the assets (resources), liabilities (obligations), income & cash flows, and stockholders' equity of the firm. The effects of transactions and other events are recorded in the appropriate financial statements.

- The income statement reports revenues, expenses, and gains & losses.
- The balance sheet shows assets, liabilities, & stockholders equity; the statement of stockholders' equity reports capital transaction with owners.
- The statement of cash flows includes operating investing, and financial inflows and outflows. Many transactions are reflected in more than one statement so that the entire set is required to evaluate the firm.
- Footnotes provide information about the accounting method, assumptions, and estimates used by management to develop the data reported in the financial statements. They are designed to allow users to improve assessments of the amounts, timing, and uncertainty of the estimates reported in the financial statements. Footnotes provide additional disclosure related to such areas as:
 - Fixed assets

- Inventories
- Income taxes
- Pension and other postemployment benefit plans
- Debt (interest rates, maturity schedules, and contractual terms)
- Lawsuits and other loss contingencies
- Marketable securities and other investments
- Hedging and other risk management activities
- Business segments
- Significant customers, sales to related parties and export sales.

Other Sources of Financial Information also work as financial statements. These statements also represent firms' position. Management discussions and analysis act as a source of information of financial information. Companies with publicly traded securities have been required since 1968 to provide a discussion of earnings in the MD & A sections. The MD & A is required to discuss:

- Results of operations, including discussion of trends in sales and categories of expense
- Capital resources and liquidity, including discussion of cash flow trends
- Outlook based on known trends.

Some other sources of financial information are:

- Companies that issue securities to the public are required to publish a registration statement including a prospectus.
- Proxy statements, issued in connection with shareholder meetings, contain information about board members and management, executive compensation, stock options, and major stockholders.
- Many companies prepare periodic "fact books" containing additional financial and operational data. Corporate press releases also provide new information on a timely basis.
- In addition, many companies hold periodic meetings or conference telephone calls to
- Keep the financial community apprised of recent developments regarding the company.

4.2 NEED FOR FINANCIAL STATEMENT ANALYSIS:

The financial reporting system is not perfect. Analysis of these statements helps both the company and its investors to understand the overall financial condition of the company. Here some reasons of the need for financial statement analysis are given below:

- In an ideal world, the user of financial statements could focus only on the bottom lines of financial reporting: net income and stockholders' equity.
- The financial reporting system is not perfect. Economic events & accounting entries do not correspond precisely; they diverge across the dimensions of timing, recognition & measurement.
- Economic events and accounting recognition of those events frequently take place at different times.
- Long - lived assets are written down, most of the time, in the Fiscal Period of management's choice.
- Generally Accepted Accounting Principles (GAAP) permit economic events that do receive accounting recognition to be recognized in different ways by different financial statement prepare.
- Financial reports often contain supplementary data that, although not included in the statements themselves, help the financial statement users to interpret the statements or to adjust measures of corporate performance to make them more comparable.
- Information from outside the financial reporting process can be used to make financial data more useful.

4.3 RATIO ANALYSIS:

Financial ratios are used to compare the risk and return of different firms in order to help equity investors and creditors make intelligent investment and credit decisions. Ratios can also provide a profile of a firm, its economic characteristics and competitive strategies and its unique operating, financial and investment characteristic. By doing ratio analysis it is possible to understand a company's past, current and future probable financial situation.

Four ratio categories measure the risk and return relationships. These categories are:

- **Liquidity Analysis:** Measures the ability to meet the near-term obligations. Ability to convert into cash. By analyzing the ratios mentioned below liquidity analysis has been done for yellow by Beximco.
 - Current Ratio
 - Quick Ratio

- **Profitability Analysis:** Measures the income of the firm relative to its revenues and invested capital. The following ratios are used to analyze the profitability;
 - Gross margin
 - Operating margin
 - Net profit Margin
 - ROA (Return On Asset)
 - ROE (Return On Equity)

- **Activity/ Asset management Analysis:** Evaluates revenue and output generated by the firm's assets. The following ratios include in the activity analysis:
 - Inventory turnover ratio
 - Total asset turnover Ratio
 - Fixed asset turnover Ratio
 - Average sales collection period
 - Average payment period

- **Debt management ratio/Solvency Analysis:** Debt Management Ratios attempt to measure the firm's use of Financial Leverage and ability to avoid financial distress in the long run. These ratios are also known as Long-Term Solvency Ratios.
 - Debt to asset ratio
 - Times Interest Earned (TIE)

4.4 Liquidity Analysis:

Short-term lenders and creditors must assess the ability of a firm to meet its current obligations. The ability depends on the cash resources available as of the balance sheet date and the cash to be generated through the operating cycle of the firm. The shorter the cycle, the more efficient the firm's operations and cash management is. The longer cycles may be indicative of cash shortfalls and increased financing costs.

Liquidity Analyses is made to understand the liquidity position of a company. Liquidity position of a company means the ability of a company to pay its short term obligation, by using its short term Assets. Three ratios are used to conduct the liquidity analysis. They are the current ratio, quick ratio and cash ratio. Among these three ratios Current and quick ratio are analyzed in here.

4.4.1 Current Ratio:

Current ratio uses all the current assets of the company. Higher current ratio is good for a company. But this may be as a result of higher inventory, which is bad for the company because the company may fail to sell its goods and it may also indicate assets are tied up as current assets (in the form of Cash or Receivables) which does not earn anything.

Current Ratio of Yellow for the year 2010 and 2011 are:

Year	2010	2011
Current Ratio	0.65	1.50

In 2010 current ratio of Yellow was 0.65 which means Yellow had taka 0.65 to pay 1 taka of its current debt. This was a bad situation for the company. In 2011 current ratio was 1.50 which means Yellow had taka 1.50 of current assets against taka 1 of current liability. In 2011 the condition of the company was better than 2010. It also indicates in 2011 Yellows current assets might have tied up a bit. But overall we can say that in 2011 the current ratio position was better than 2010.

The comparisons of the data for 2010 and 2011 are shown in the diagram below:

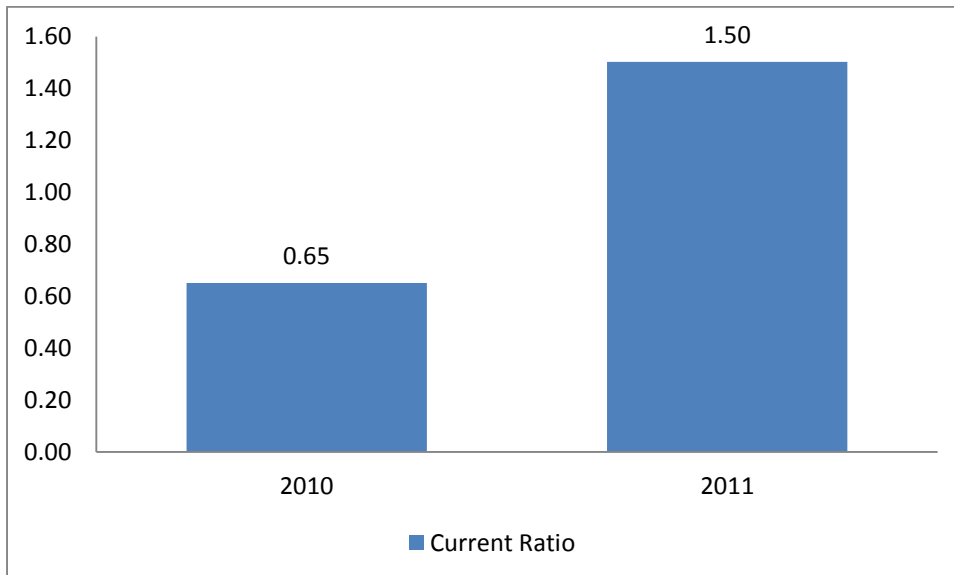


Figure: Current Ratio

4.4.2 Quick Ratio:

A more conservative measure of liquidity analysis is the quick ratio. The assets included in this ratio are called quick asset because they can be quickly converted to cash. Inventory and prepaid expenses are excluded from this ratio. If this ratio is much lower than the current ratio, then it is considered that firm is facing liquidity problem. It signifies that the company may have higher inventory that the firm is unable to sell and higher prepaid expenses.

Quick Ratio of Yellow for the year 2010 and 2011 are:

Year	2010	2011
Quick Ratio	0.28	0.76

In 2010 the quick ratio was lower than the current ratio of 2010 but in 2011 the quick ratio was even much lower than the current ratio of 2011. It indicated that the company had more cash and accounts receivable and securities available in 2011 and it also indicates that inventory of the company was higher than 2010.

The comparisons of the data for 2010 and 2011 are shown in the diagram below:

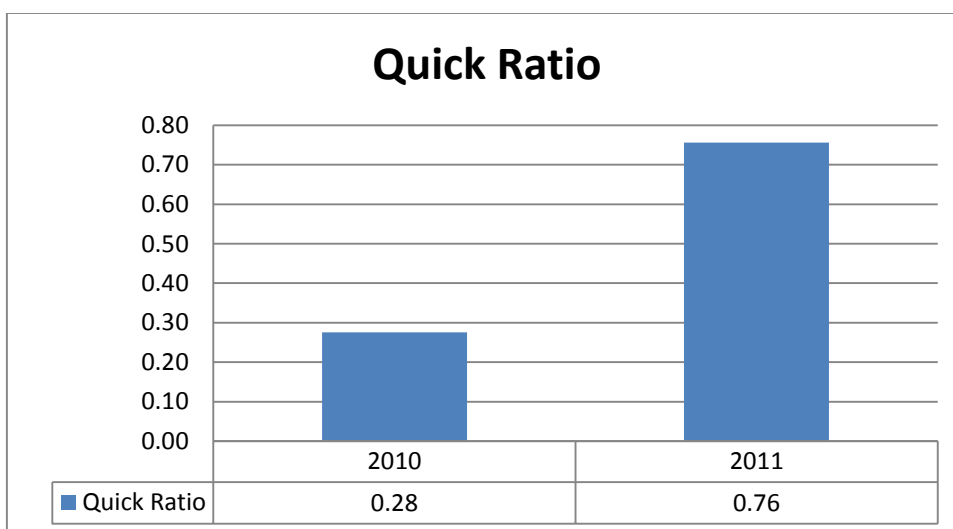


Figure: Quick Ratio

4.5 Profitability Analysis:

Profitability analyses indicate the ability of a firm to generate interest and whether the firm is able to sustain the profitability in the future. Equity investors are concerned with the firm's ability to generate, sustain and increase profit. That is why it is important to conduct the profitability analysis of a company. The ratios that are used to measure profitability are also known as income statement ratios as these ratios are determined by depending on the income statement information. The following ratios help to do profitability analysis.

4.5.1 Gross Margin:

Gross Margin ratio shows the relationship between the sales and manufacturing or merchandising cost. Higher gross margin ratio is better. Higher ratio means higher revenue and lower cost of revenue.

Gross Margin of Yellow For 2010 and 2011 are given below:

Year	2010	2011
Gross Margin	18%	63%

In 2010 gross margin was 18% which was an average income. In 2011 the Gross Margin was 63% which is very good for the equity holders. On the other hand Yellow has to work hard for sustaining the Gross Margin in the future.

The comparisons of the data for 2010 and 2011 are shown in the diagram below:

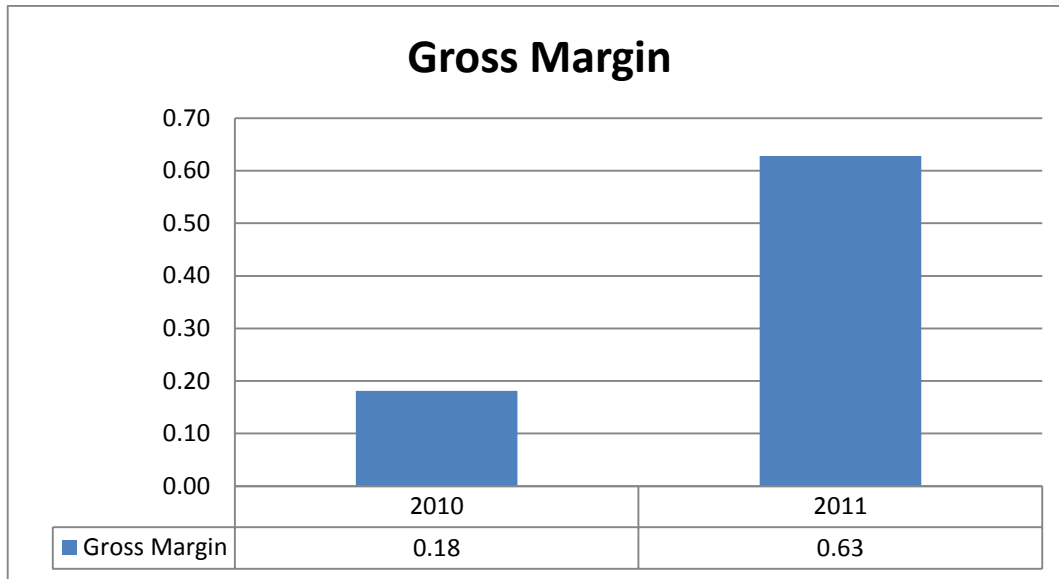


Figure: Gross Margin

4.5.2 Operating Margin:

Operating Margin shows the firm’s profitability from the operations of its core business. Excluding the effect of: Investment (income for affiliates or assets sales), Financing (interest expenses), and tax position. Higher operating margin is better for the company. Higher operating margin indicates higher operation income and lower operating cost.

Year	2010	2011
Operating Margin	-21%	40%

In 2010 Operating Margin was negative because the company faced loss in 2010 and Gross Margin was -21%. In 2011 Operating Margin was 40% which means operating profit was higher in 2011. It also indicates operating cost were under control in 2011. So, we can say that it is a good indication for the company.

The comparisons of the data for 2010 and 2011 are shown in the diagram below:

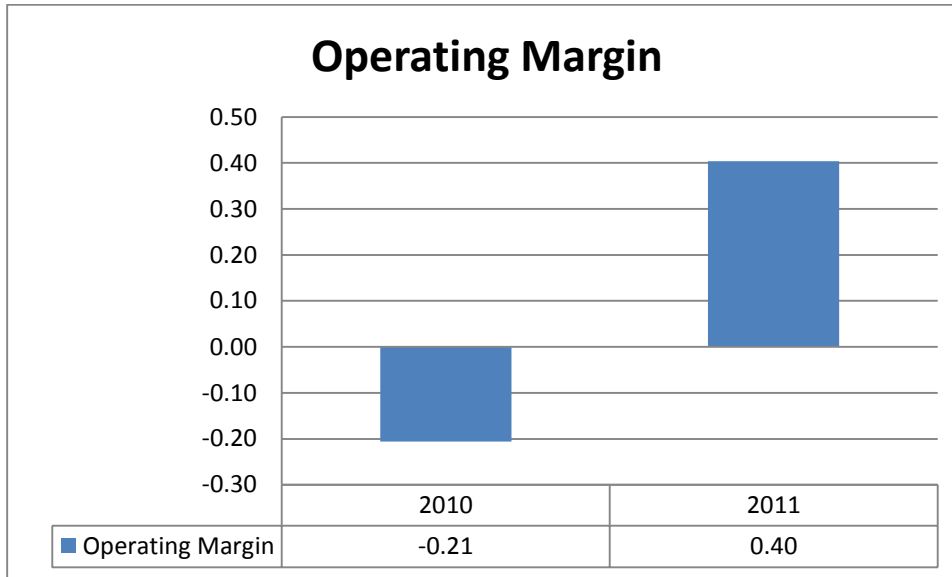


Figure: Operating Margin

4.5.3 Net Profit Margin:

Net Profit margin is calculated after deducting all the expenses from over all operation. Net income is considered to calculate the profit margin. Higher profit margin indicates higher net income, so higher profit margin is better for the company. Higher profit margin ensures higher profit of the company.

Year	2004	2005
Profit Margin	-20.6%	39.8%

The comparisons of the data for 2010 and 2011 are shown in the diagram below:

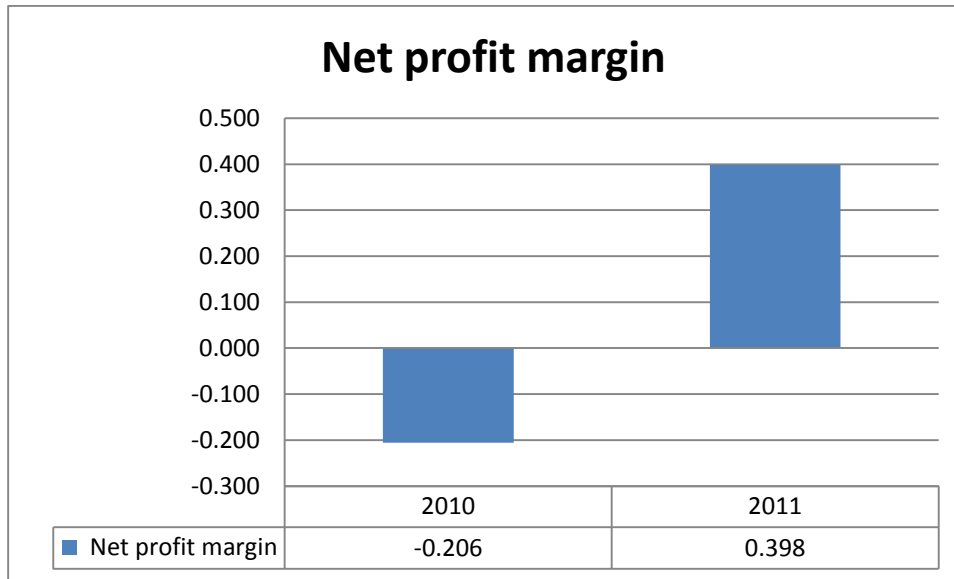


Figure: Nett Profit Margin

Science Yellow is a part of Beximco Textile taxes of Yellow is paid under Beximco Textile Ltd. After preparing the Income statement of Beximco Textile Ltd. taxes are paid. So, Pre-Tax Margin and Net Profit Margin is same in Yellow.

4.5.4 ROA (Return On Asset):

ROA (Return on Asset) measures management’s ability and efficiency in using the firm’s assets to generate (EBIT) profits. Higher ROA means higher efficiency in utilizing its utility. Higher ROA also indicates higher return for the company. It reports the total return accruing to all providers of capital (debt and equity).

Year	2010	2011
ROA (Return On Asset)	-23.4%	63.5%

As Yellow was facing net loss in 2010 ROA was also negative in 2010. The company faced negative return on asset. This is very bad for a company’s reputation. In 2011 Yellow’s ROA was 63.5% which is very good for company’s reputation. It also indicates returns available to all capital providers.

The comparisons of the data for 2010 and 2011 are shown in the diagram below:

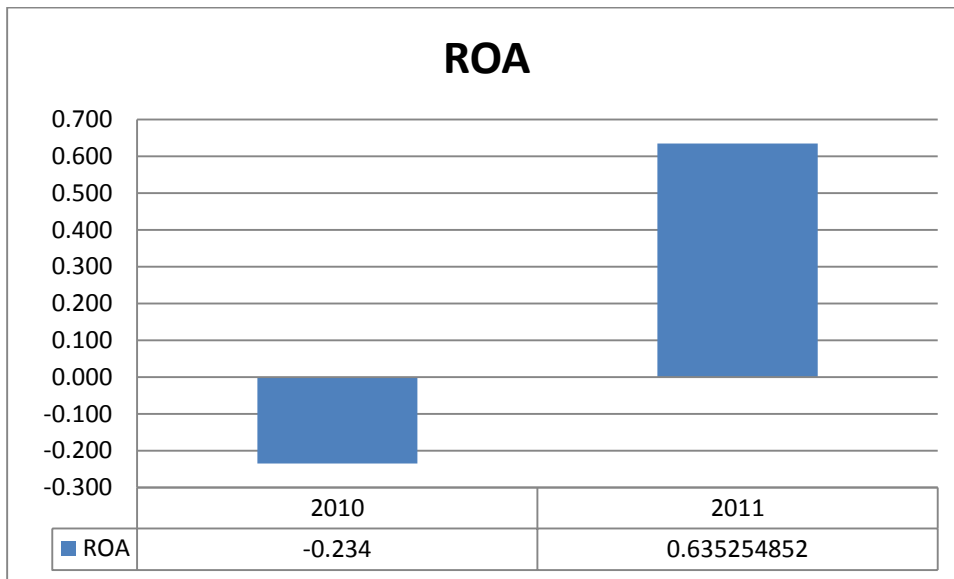


Figure: ROA (Return on Asset)

4.5.5 ROE (Return on Equity):

The relationship between ROA and ROE reflects the firm’s capital structure. ROA measures returns to all providers of capital. ROE measures the returns to the firm’s Capital Providers (shareholders) and is calculated after deducting the returns paid to creditors. Higher ROE means the shareholders will get more return.

Year	2010	2011
ROE (Return On Equity)	-23.7%	118%

In 2010 ROE was negative because Yellow faced loss in 2010. It was a bad condition for the company and there was nothing for the Capital providers. In 2011 ROE was 118% which is very good for the company and also for the equity providers. So, 2011 was better than 2010.

The comparisons of the data for 2010 and 2011 are shown in the diagram below:

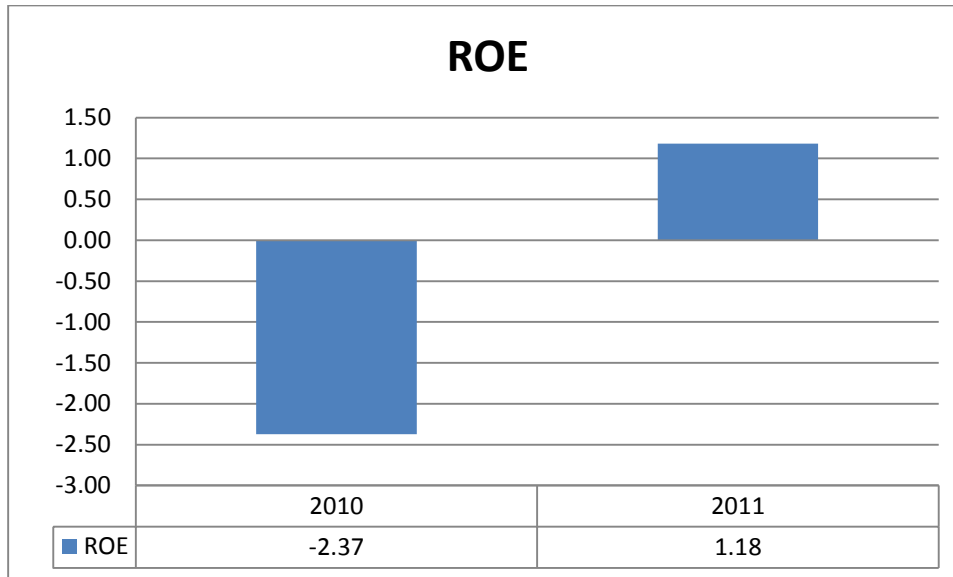


Figure: ROE (Return on Equity)

After analyzing the 2 year ratios I can say that the condition in 2011 is better than 2010. Where in 2010 the company incurred losses and in 2011 the company made a good profit. So, we can say that the future of YELLOW will be better in the future.

4.6 Activity/Asset management Analysis:

A firms operation activities require investments in both short-term (inventory and Accounts Receivables) and long-term (property, plant, equipment) asset. Activity ratios describe the relationship between the firm’s level of operations (usually defined as sales) and the assets needed to sustain operating activities. The higher the ratio the more efficient the firm’s operations are. Fewer assets are needed to support a given level of operations (sales).

4.6.1 Inventory Turnover Ratio:

Inventory turnover ratio Measures the efficiency of a firm's inventory management. Though inventories are considered as assets of a company but higher inventory is not good for a company. As then it indicates that the company is unable to sell its inventories. A higher ratio indicates that inventory does not remain in warehouse but turns over rapidly. So higher inventory turnover ratio is better for a company.

Here in the following table shows the inventory turnover ratios of YELLOW are shown for the year 2010 and 2011.

Year	2010	2011
Inventory Turnover Ratio	2.28	4.49

Here we can see in 2010 the inventory turnover ratio was 2.28 which means Yellow is turning over their inventories more than 2 times in 2010. In 2011 Yellow's Inventory turnover ratio was 4.49 which indicates they have turned over their inventory more than 4 times in 2011 which is twice of 2010. This is a good indication for Yellow because the ratio indicates that their inventories are converting into sales more than last year.

The following diagram will help to compare the inventory turnover ratio between 2010 and 2011 of the company.

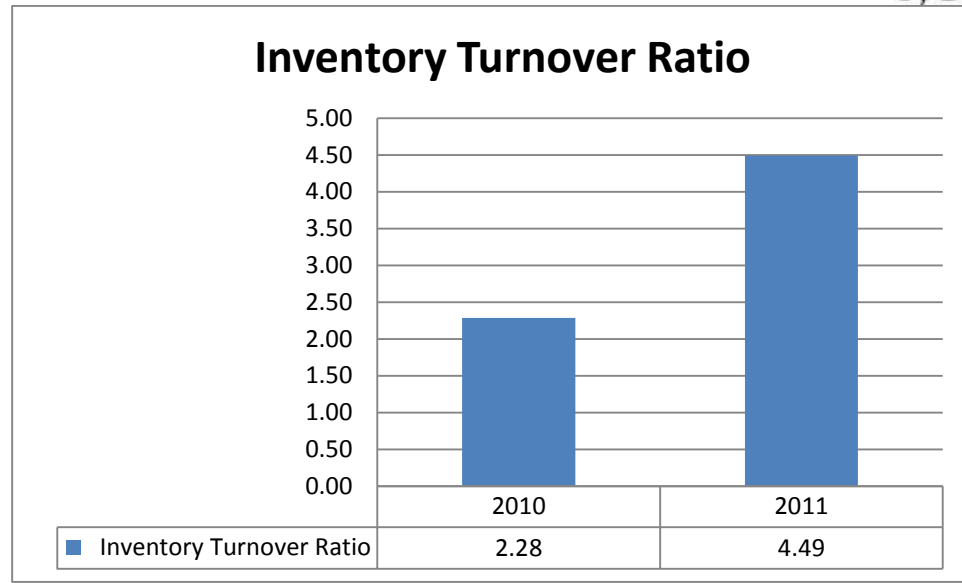


Figure: Inventory Turnover Ratio

The above chart will help to understand the comparison of inventory turnover more easily. It is showing that the inventory turnover position is worse in 2011.

4.6.2 Asset Turnover Ratio:

Total asset turnover ratio measure how much sales we can generate with a given level of total assets. Higher total asset turnover ratio shows higher efficiency of using its assets to make revenue.

Assets turnover Ratio of Yellow is given below:

Year	2010	2011
Total Asset Turnover	1.17	1.57

Total assets turnover ratio of yellow in 2010 was 1.17, which means we were able to generate 1.17 taka of sales by using 1 taka of Total assets. In 2011 the ratio was 1.57 which is better than 2010. It is a good indication for the company since we are getting more efficient in using our total assets.

The comparisons of the data for 2010 and 2011 are shown in the diagram below:

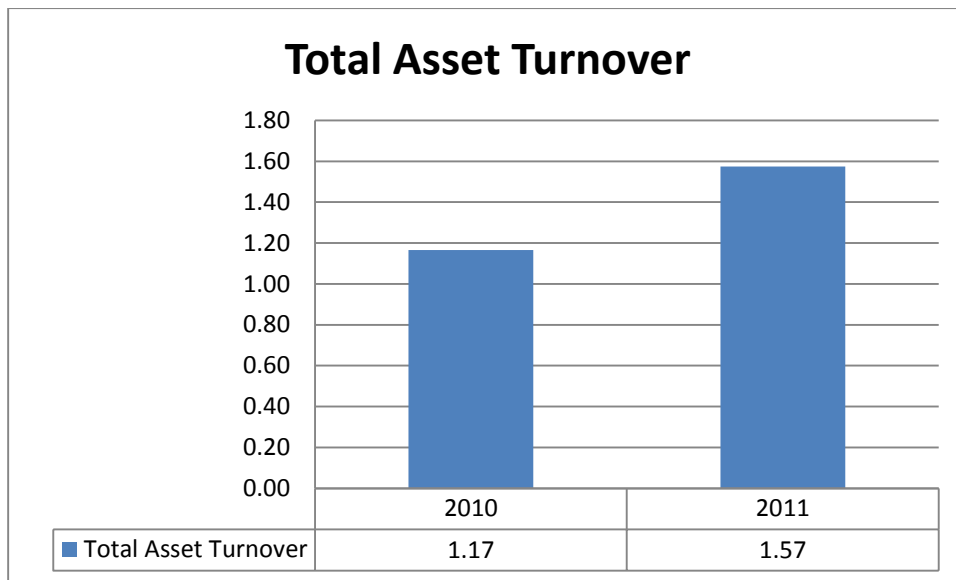


Figure: Total Asset Turnover Ratio

4.6.3 Fixed Assets Turnover Ratio:

Assets turnover ratio indicates how much sales we can generate by using a given level of Fixed Assets. Higher the ratio is better it indicates we can utilize our assets properly to generate higher sales.

Fixed assets turnover ratios of yellow for 2010 and 2011 are given below:

Year	2010	2011
Fixed Assets Turnover Ratio	4.35	5.46

In 2010 Fixed assets turnover ratio was 4.35, which means we Yellow was able to generate taka 4.35 by using 1 taka of fixed assets. In 2011 the ratio was 5.46 which is higher than 2010. It is good indication for the company. It means Yellow is getting more efficient in using their fixed assets.

The comparisons of the data for 2010 and 2011 are shown in the diagram below:

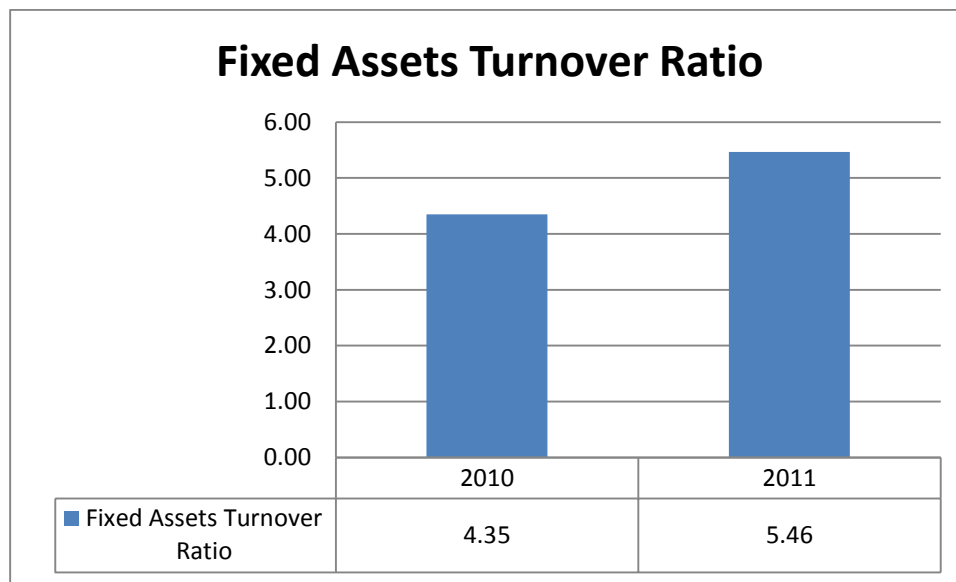


Figure: Fixed Assets Turnover Ratio

4.6.4 No. of Days Sales/receivables Outstanding:

How many days, a company takes to turnover its receivables are considered as No. of days receivables outstanding of that company. Lower the number of days is the better. As it shows that the company is able to turnover its receivables in less number of days.

Here in the following table consisting data of the average no. of day's receivables outstanding of the year 2010 and 2011.

Year	2010	2011
Average No. of days receivables outstanding	5.89	4.79

In 2010 the number of day's receivables turnover ratio was 5.89 and in 2011 the ratio was 4.79. Science lower ratio is better which indicates receivables are collected quickly. So we can say that the company has improved its average number of day's receivables turnover.

The following diagram will help to compare the average number of day receivable outstanding between 2010and 2011of the company:

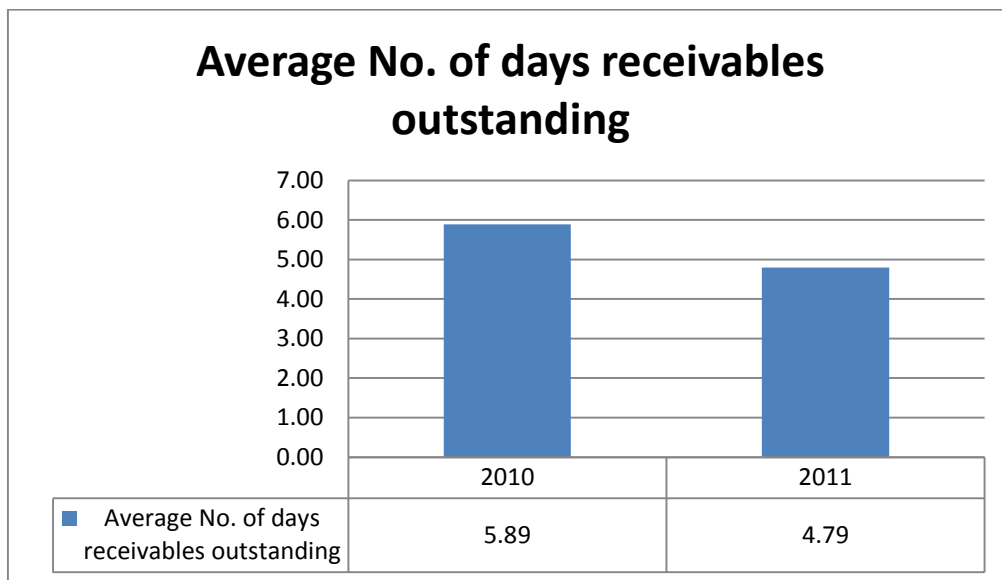


Figure: No. of Days receivables Outstanding

The numbers of day receivables outstanding was the lowest in the last year that is in 2011. So it is visible that the company is trying to improve its situation gradually.

4.6.5 Average payment period:

The higher the number of day payable outstanding is the better for the company. Higher number of day payable outstanding gives the company chance to hold its liquid fund. As higher liquid asset are better for the company.

No. Days Payable Outstanding of Yellow from the year 2010 and 2011 are given in the following table:

Year	2010	2011
No. of days Payable outstanding	88.10	66.02

In 2010 the number of days payable outstanding was higher than 2011. In 2010 the payable outstanding was 88.10 and in 2011 it decreased heavily to 66.02. It indicates we are getting less days to pay our payables as a result our cash is going out quickly.

The following diagram will help to compare the Number of Days Payable Outstanding between 2010 and 2011 of the company:

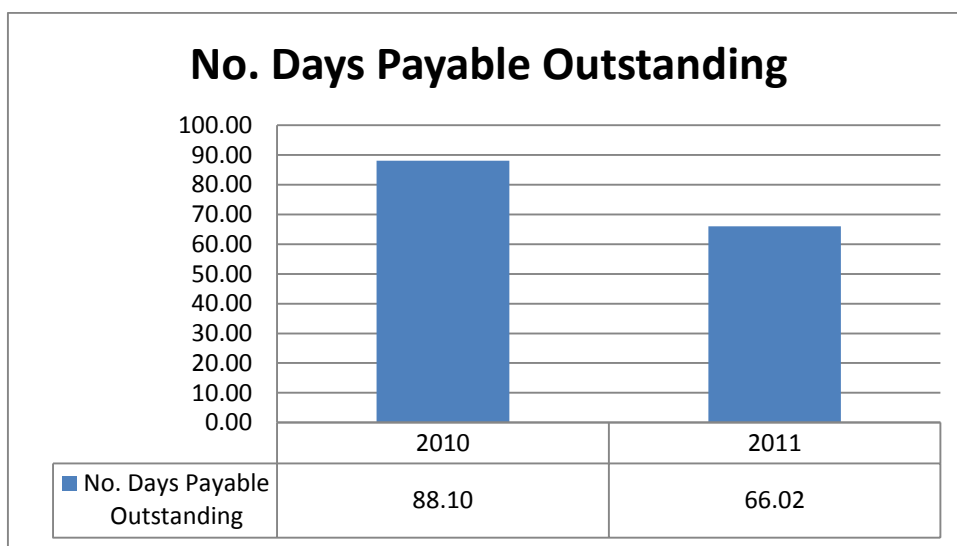


Figure: No. of Days Payable Outstanding

4.7 Debt Management Ratio Analysis:

Examine the capital structure, including the mix of its financing sources and the ability of the firm to satisfy its long-term debt and investment obligations. The ratios that are used to do the debt management ratios are

4.7.1 Debt to asset ratio :

Total debt to total assets is a leverage ratio that defines the total amount of debt relative to assets. This enables comparisons of leverage to be made across different companies. The higher the ratio, the higher the degree of leverage, and consequently, financial risk. This is a broad ratio that includes long-term and short-term debt (borrowings maturing within one year), as well as all assets – tangible and intangible.

Debt to asset ratios of yellow for 2010 and 2011 are given below:

Year	2010	2011
Debt to asset ratios	-1%	-11%

In 2010 and 2011 Yellow has a negative debt to asset ratio. In 2011 it has increased which is not a good thing. Yellow should take initiative to overcome this situation soon.

The comparisons of the data for 2010 and 2011 are shown in the diagram below:

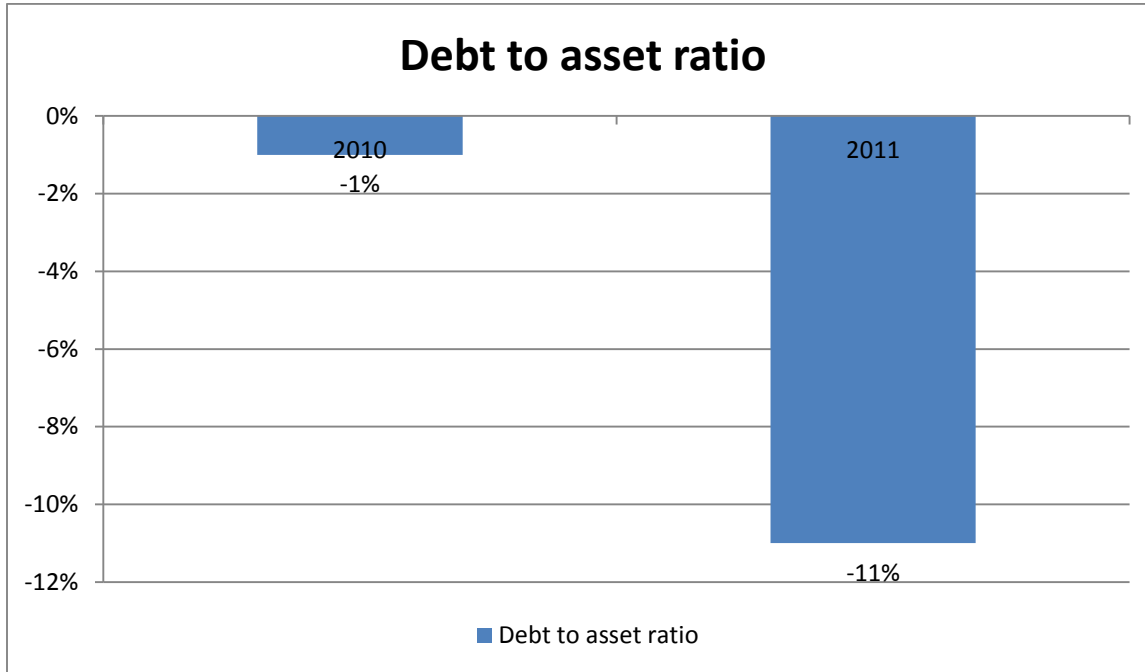


Figure: Debt to asset Ratio

4.7.2 Times Interest Earned (TIE):

Times Interest Earned (TIE) ratio is more direct measure of the firm’s ability to meet interest payments. Higher the TIE ratio better the company’s condition is. Higher TIE ratio ensures that the firm is sufficient in paying its interests.

Year	2010	2011
Times Interest Earned (TIE)	-4.23	74.42

High TIE ratio indicates better situation of a company. In 2010 Yellow was facing lossless a result TIE was negative, it was -4.23, which means the company was unable to pay its interest expenses in 2010. In 2011 Yellow’s TIE was 74.42 which means, to pay 1 taka of interest Yellow had taka 74.42 of earning. It is a good condition for the company.

The comparisons of the data for 2010 and 2011 are shown in the diagram below:

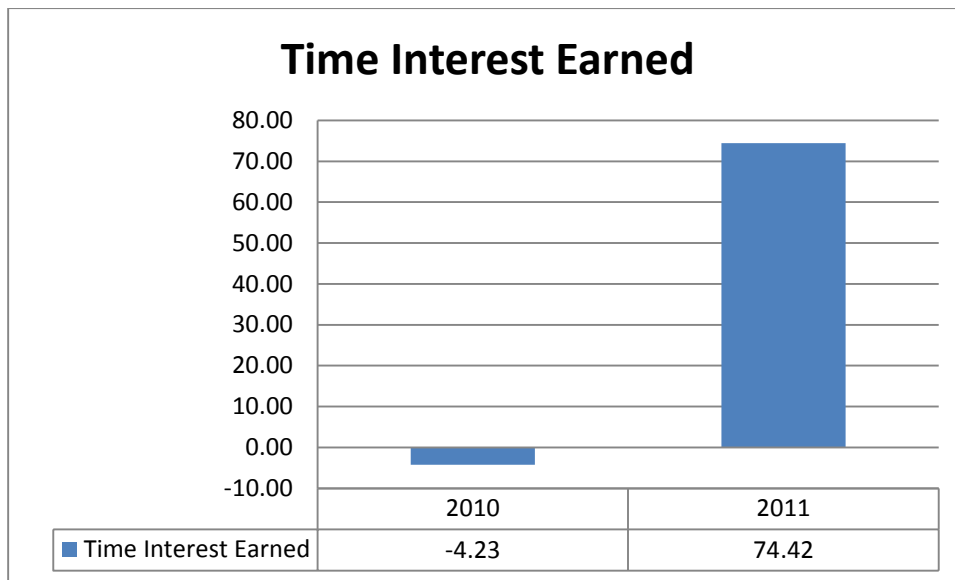


Figure: Time Investment Earnings Ratio

Chapter-5

Recommendation:

As I have worked with previous data rather than recent data because of some privacy issues. From my report the concern management will be able to know what they should avoid and what they should adopt more to perform well in the future. Though I have recommended the necessary steps after in each ratios discussed previously. All I can recommend now them to focus more on their Loan issues and utilize the outstanding stock stored in their factory. At the same time a regular basis checking of all the transaction of all shops as well as a strong observation and support of Beximco Group.

5 Conclusion:

It is said that, coming up with better idea for a successful firm is a very difficult task. As a new player in the market, I tried heart and soul to analyze the specific aspects (finance and accounting) of the firm. I have lack of practical knowledge and experience. So the recommendations I made could be outdated beside any professional report.

Working in a firm like Yellow was a real challenge for certain reasons. The firm is not so old in the market as well as its' growing level. It needs a long way to reach the maturity. Still it is making a healthy business which is a very good sign. As a fresh student, this is my first experience in real life. I tried to use my theoretical knowledge in the work place. I could relate a lot of theories with real life. On the other hand, a number of theories came to no use. But this is just a short span of time. I gathered my experience and learned about the working environment. I hope this will help me a lot in my professional life.

6 Reference

- 1) My Accounting Course | Learn Accounting Online for Free. 2015. *My Accounting Course | Learn Accounting Online for Free*. [ONLINE] Available at: <http://www.myaccountingcourse.com/>.
- 2) BEXIMCO | About Us. 2015. *BEXIMCO | About Us*. [ONLINE] Available at: <http://www.beximco.org/about.php>.
- 3) YELLOW. 2015. *YELLOW*. [ONLINE] Available at: <http://www.yellowclothing.net/>.
- 4) Beximco - Wikipedia, the free encyclopedia. 2015. *Beximco - Wikipedia, the free encyclopedia*. [ONLINE] Available at: <https://en.wikipedia.org/wiki/Beximco>.
- 5) BEXIMCO | Textiles & Apparel Division. 2015. *BEXIMCO | Textiles & Apparel Division*. [ONLINE] Available at: <http://www.bextex.net/index.php?p=about>.
- 6) BEXIMCO | Bangladesh Export Import Co. Ltd.. 2015. *BEXIMCO | Bangladesh Export Import Co. Ltd.*. [ONLINE] Available at: <http://www.beximcoltd.com/>