Internship Report

on

Accounting Systems of Jinnat Knitwears Limited

Submitted To:

Mohammad Afsar Kamal

Assistant Professor

Department of Business Administration

School of Business

Uttara University

Submitted By:

Santa Islam

ID: F-2202061004

Program: MBA for BBA

Batch: 52nd

Major: Accounting

Department of Business Administration

Uttara University

Date of submission: 22nd May, 2021

Letter of Transmittal

22nd May, 2021

Mohammad Afsar Kamal

Assistant Professor

Department of Business Administration

School of Business

Uttara University

Subject: Submission of Internship Report on “**Accounting Systems of Jinnat Knitwears Limited.”**

Dear Sir,

I am very glad to submit my Report on “Accounting Systems of Jinnat Knitwears Limited” As you assigned me to prepare as my MBA program assignment to submit you. Though it’s a new experience for me, I tried my best level to gather relevant information for preparing a complete report on this topic. Without the sincere co-operation & proper guidance of you, it was not possible for me to prepare the report. For this act of kindness I am grateful to you.

This report is not totally free from mistake due to some unavoidable limitations. I hope you will accept it with gracious consideration.

Sincerely yours

……………………….

Santa Islam

ID: F-2202061004

Batch: 52nd

Program: MBA for BBA

Major in Accounting

Department of Business Administration

Uttara University

Student's Declaration

I hereby declare that the internship report "Accounting Systems of Jinnat Knitwears Limited" has been furnished by me after completion of my 3 (three) months internship with Jinnat Knitwears Limited (DBL Group) Nayanpur Branch in line. With comprehenship study of the existing Jinnat Knitwears Limited and its implementation. I understand that this declaration covers all work submitted for Report of Summer 2020, in this subject.

………………………..

Santa Islam
ID: F-2202061004
Batch: 52nd
Program: MBA for BBA
Major in Accounting
Department of Business Administration
Uttara University

Supervisor's Declaration

This is to certify that Santa Islam, ID: F-2202061004, Batch: 52nd student of our university has successfully completed the internship report on "Accounting Systems of Jinnat Knitwears Limited" & was under my supervision & guidance. During the period he worked in Nayanpur branch of Jinnat Knitwears Limited (DBL Group) from 21th of January 2021 to 21th of March 2021.

This report is submitted as a partial requirement for the fulfillment of MBA program at Uttara University. Hereby I accept the report as successful completion of internship.

Has not published is any paper, journal or magazine. During the period she was sincere proactive & attentive to his work. I wish him every success in his life.

…………………..

Mohammad Afsar Kamal
Assistant Professor

Department of Business Administration

School of Business

Uttara University

Acknowledgement

At first, I would like to express my gratitude to almighty Allah for enabling me the strength and opportunity to complete the report in the schedule time successfully. I am taking this privilege to deliver my gratefulness to each and every people who are involved with me in every phase of our lives.

I am grateful to my parents without whom I cannot be here. They were beside me in every single situation and are still with me. Without the support of my parents, I could not be able to achieve my objectives and goals.

Then I am deeply grateful to my supervisor Mohammad Afsar Kamal (Assistant Professor, Uttara University) for his stimulating inspiration, kind guidance, valuable suggestions and sagacious advice during my internship period. His suggestions & guidance have made the report a good manner.

I express my sincere gratitude to Mohammad Jahangir Alam (AGM) to give me the opportunity to proceed on my internship in Jinnat Knitwears Limited.Kazi Yasir Arafat (Accounce Manager, Nayanpur Branch), for their cordial attitude & extending help whish make me able to prepare my internship report properly.

At Last but not the least, I am ever thankful to Uttara University for giving me an opportunity to complete my MBA degree and accorded an opportunity to gather practical experience and enrich my knowledge.

Table of Content

Executive Summery

Jinnat Knitwears Ltd. (DBL Group) is a new generation in Bangladesh. In the midst of hundreds of textile companies, Jinnat Knitwears Ltd. is striving hard to attain a position of excellence in quality of the products

This report based on the internship program, partial requirement for the Department of Business Administration in Uttara University. This report aims toward providing an overview on accounts department of Uttara University. While preparing this report it has been tried to reveal the insights of the accounts department & amp; performance analysis of the organization. A few recommendations and suggestions were also prescribed based on the observation. Internship in Jinnat Knitwears Ltd. was a great practical experience for my life.

This report is categories in six different chapters. In chapter one introduction, background, objective, limitations are discussed. In chapter two organizational profile are given of the Jinnat Knitwears Ltd., Chapter three job profiles, Chapter four discussed activities undertaken of accounts department of Jinnat Knitwears Ltd. Depends on my experience I describe how to maintain accounting activities of Jinnat Knitwears Ltd., how to company evaluates Asset & Liabilities and measure depreciation of Jinnat Knitwears Ltd., how to assess revenue and expenditure at Jinnat Knitwears Ltd. and about financial reports and supporting documents Jinnat Knitwears Ltd.

Jinnat Knitwears Ltd. is a growing developer company. This was an added challenge to all the accounting staffs as the listing the accountability of the organization has gained a higher reach.

Chapter 1

Introduction

1.1 Background of the Study:

The internship program of MBA is a partial requirement to take taste of real life challenge conducted by the intern. It is the integral part of MBA program. During this period an intern needs to work closely with the employees of Jinnat Knitwears Ltd. (DBL Group), Which is one of the branch of DBL Group in Gazipur District.

The topic of the internship is “Accounting Systems of “Jinnat Knitwears Ltd.” This report presents the outcomes of the study and experience gathered during the internship in “Jinnat Knitwears Ltd. (DBL Group)”.This study focuses on the Accounting systems and policy of companies of Jinnat Knitwears Ltd. (DBL Group).

1.2 Objective of the Report:

This study aimed to earn practical knowledge about “Accounting Systems of Jinnat Knitwears Ltd.**”**. There are two objectives of the study-

1.2.1 Broad objectives:

The broad objective of the study is to analyze the accounting systems of Jinnat Knitwears Ltd.

1.2.2 Specific Objectives:

- To learn how to maintain accounting activities of Jinnat Knitwears Ltd.
- To know how to company evaluates Asset & Liabilities and measure depreciation of Jinnat Knitwears Ltd.
- To understand how to assess revenue and expenditure at Jinnat Knitwears Ltd.
- To learn about financial reports and supporting documents Jinnat Knitwears Ltd.

1.3 Major Difficulties Faced in accomplishing internship work:

The report is written mainly on the basis of face to face conversation with accountant and practical experience in the organization. So my lack of experience might have influenced in preparing this report.

- Lack of comprehension of the respondents was the major problem that rated many confusion regarding verification of conceptual questions.
- Confidentiality of data was another important barrier that faced during conduct of this study. Every organization has their own secrecy that cannot be revealed in publics.
- I had more dependence on the primary Source, so there might be some level of inaccuracy with those collected information.
- Available of data is another significant difficulties. Company reluctant for disclosing financial and other relevant data.
- Technology short coming seriously happened smooth preparation of their report. Laptop bumming and loss of data seriously affected report preparation.
- Data form Jinnat Knitwears Limited is highly confidential for the outside people.

Chapter- 02

Company Profile

2.1 Company Profile

DBL Group is a diversified and integrated knit garments manufacturing & composite industry with strong linkage. DBL Group started its business in 1991 and till date it has resulted in a conglomerate of 19 concerns and currently has facilities for spinning, fabric knitting, dyeing and finishing, washing, packaging and printing. DBL Group is one of the largest and 100% export oriented composite knit garments and textiles manufacturing industry in Bangladesh. They supply quality apparels across the world to the best of the retailers and the biggest brands of the fashion industry. Their production capacity is 6.5 million pieces per month. Their export markets are Canada, Europe and USA. Total export of the group reached USD 300 million in 2011.Their buyers are H&M, Puma, George, Esprit, G-Star, Wall Mart Canada, C&A, Decathlon, and MQ Sweden.

DBL Group has a dedicated and skilled workforce of 15,700 employees and is equipped with world-class management skills which ensure a top notch performance in all aspects of its operation. DBL Group supplies quality apparels to globally renowned biggest retailers and is focused on upholding the reputation of the readymade garments and textiles industry of Bangladesh.

DBL Group is using energy efficient machinery with less environmental impacts in all of its projects. DBL Group has a biological ETP (Effluent Treatment Plant) which has a capacity of 4000 cubic meters and is the largest ETP in the country. Moreover, the group is in process of installing another ETP with the capacity of 7500 cubic meters soon.DBL Group has a captive power plant of 35MW and is in the process of expanding its infrastructure.

They have embarked on a growth plan that is expected to truly transform their organization. In near future year, their home textiles, ceramics, pharmaceuticals and leather industry will be in operation. Their projected turnover would be USD 550 Million and they will employ over 43,000 people by year 2020. Vision 2020 aims to sustain the confidence which has been endowed on them by the society and grow further as a distinctive business house for its customers, employees, associates and stakeholders.

Their management team consists of highly experienced individuals with proven track records in their respective fields of expertise. Some of our renowned professional includes Mr. Md. Zahidullah who has been leading the corporate Dept. as a GM. He has hands on experience in the RMG sector for over 20 years. Another notable personality includes Md. Ishaque who's supervising the entire for over a decade as an advisor. They are responsible for delivering DBL's vision to combine leading infrastructure to develop efficient and effective solutions that will always keep international standard businesses one-step ahead.

2.2 Vision statement

To extend our leadership through world class performance.

2.3 Mission statement

We will develop a progressive, empowered and consumer focused corporate culture to enhance market leadership along with the passion of Corporate Social Responsibility.

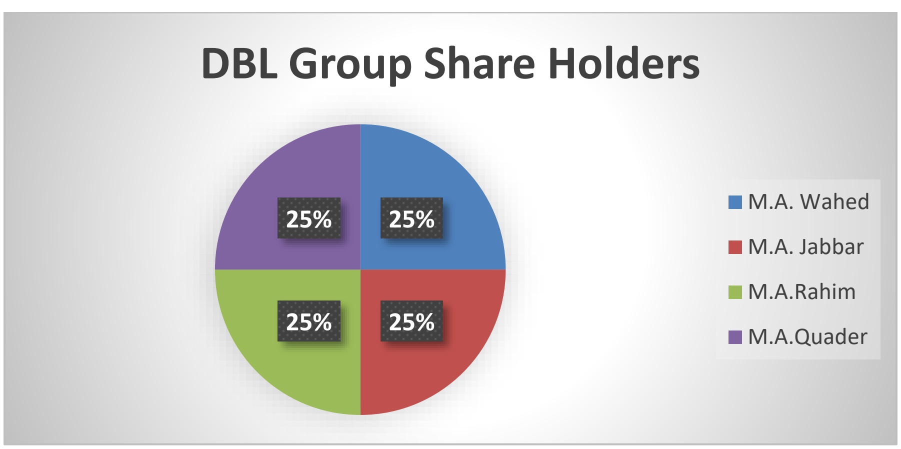
2.4 Board of Directors

DBL group board of directors is comprised of highly qualified professionals ensuring efficient day to day business operations.

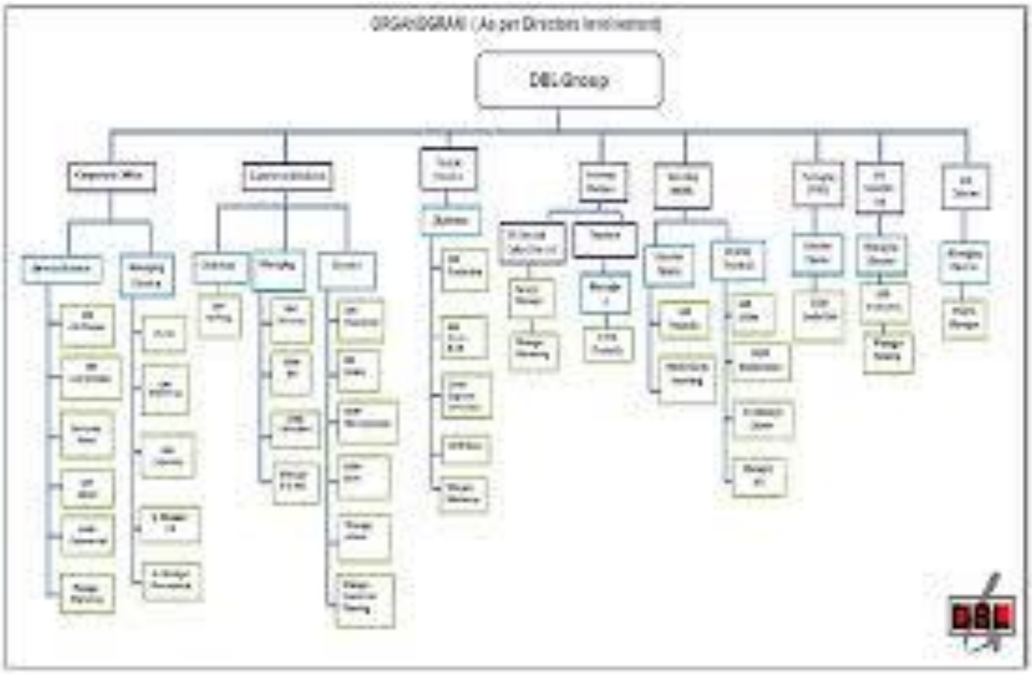
1. Mr. Abdul Wahed (Chairman, DBL Group)
2. Mr. Mohammed Abdul Jabbar (Managing Director, DBL Group)
3. Mr. Mohammed Abdul Rahim(Vice Chairman, DBL Group)
4. Mr. Mohammed Abdul Quader(Deputy Managing Director, DBL Group)

2.5 Share Holders & Equity Distributors:

In DBL distribution there are four shareholders and sponsors. They all have 25% share of the group. Their hard work and dedication brings the DBL group in the top of the industry.



2.6 DBL Organogram:



2.7 Member Unit

1. Dulal Brothers Ltd.
2. Jinnat Apparels Ltd.
3. Jinnat Fashions Ltd.
4. Flamingo Fashions Ltd.
5. Mymun Textiles Ltd.
6. Hamza Textiles Ltd.
7. Matin Spinning Mills Ltd.
8. Textile Testing Services Ltd.
9. Parkway Packaging & Printing Ltd.
10. Thanbee Print World Ltd.
11. Atelier Sourcing Ltd.
12. DB Tex Ltd.
13. JinnatKnitwears Ltd.
14. DBL Telecom Ltd.
15. Color City Ltd.
16. DBL Ceramics Ltd.
17. MatinKnitwears Ltd.
18. Mawna Fashions Ltd.
19. DBL Distribution.
20. Jinnat Knitwears Ltd.-2
21. DBL Pharmacetucals Ltd.
22. Flamingo Fashions Ltd.-2

Chapter- 03
Data Collection and Processing

3.1 Data Collection and Processing

This is a Data Collection and Processing which briefly reveals the overall accounts activities of Jinnat Knitwears Ltd. Both primary and secondary data have been collected to conduct this report. I have gathered primary data by personal interview of the Executives of Jinnat Knitwears Ltd. Mainly I discussed with them verbally. I collected information from them and the annual report, journals, brochures, manuals and several books to prepare this report. In short, the sources of data outlined below:

3.2 Sources of Data

There are two types of data:

a) Primary Data

b) Secondary Data

3.2.1 Data Collection Procedure

a) Primary Data

- Face to face conversation with the Officers.
- Primary Data will be collected Official records (files, rules & regulation).

b) Secondary Data

- To furnish the report properly information was mainly taken from Intranet.
- Official records of Jinnat Knitwears Ltd.
- Annual reports of Jinnat Knitwears Ltd.
- Jinnat Knitwears Ltd. official web sites.

3.3 Methodology

The study requires a systematic procedure from selection of the topic to preparation of the final report. To perform the study, the data sources were to be identified and collected, to be classified, analyzed, interpreted and presented in a systematic manner and key points were to be found out. Primary and secondary has been used to collect the data and to analyze the gathered data and different types of computer software are used for reporting the gathered information from the analysis, such as- Microsoft Word.

Chapter- 04:

Discussion of the Objectives

4.1 Objective- 01: To learn how to maintain accounting activities of Jinnat Knitwears Ltd.

This manual is prepared as a guideline for the operating activities of finance & accounts department of the company. This will lay the foundation for a system of internal accounting controls. Examples of the key documentation are included in this manual to achieve the objectives of the department. This manual is intended to be used only as an aid and should not be considered a replacement for management involvement.

Cash receipts

Cash receipts through company's money receipts. In corporate finance and accounts department each deposit must be entered into a collection register manually. After the entry the receipts are handed over to the concerned revenue section for posting to match against revenue. Collection register will generate cash collection report.

Cash disbursement

Cash disbursement should be controlled strictly as this is a liquid asset. Basic control of cash disbursement should be as follows:

1. Management will approve payment vouchers.

2. All payments especially vendor payment must be made through cheque.

3. The signatories of the cheque will be top management and top level staff is authorized.

4. No cheque should be prepared without the approval of payment vouchers. 25 Cash is generally disbursed for the major categories of accounts payable, recurring expenses, payroll, impress cash. The procedures of cash disbursements are presented below:

Account payable

1. An authorized individual, who indicated approval by initialing the invoice, should approve invoices for payment in writing after review.
2. Checks maybe generated manually.
3. Supporting documents referred to as voucher to as voucher are attached to the cheque for signing. The documents usually contain as:-
a) Purchase order
b)Receiving report
c)Invoice
4. Money receipt should be received when payment is made.
5. Source tax should be deducted, if applicable, form the payment.

Recurring expenses

Recurring expenses are of different types. They may be one time in a month, occasionally and regular. The monthly ones are utilities bills and examples of regular type are conveyance, entertainment etc. expenses in connection with business travel, training, promotional etc are occasional expenses in nature.

(i) Monthly

Monthly expenses should be paid on the basis of invoice/ bill submitted by the authority concerned. Payment is this regard should be ensured to the designated deposit centers within the stipulated time in order to avoid disruption of services.

(ii) Occasional

Occasional expenses are incurred for specific purposes in this regard are as follows: 26

a) Expense report should be completed on a timely basis

b) Receipts for expensed should be attached to the expenses report prior to the expense report.

c) Date, time and business purpose should be stated.

d) The staff should sign and dated the expense report prior to its submission to finance and accounts department.

e) Before disbursement or adjustment of advance made against him/her, the expenses report should be approved by the authority.

Payroll

The salary of the staff should be paid on the basis of the employment agreement with the company.

Imp rest cash

Imp rest cash fund is a revolving fund maintained at a constant amount to cover the small cash expenditures such as conveyance, entertainment, minor office supplies etc.

At all times the general ledger imp rest fund account balance in the name of respective should be the amount of cash that was originally advanced. The following procedures are helpful in maintaining the imp rest cash fund account:

1. To establish the imp rest fund account, make a fund available to the in charge for an amount sufficient to cover small expenditures for a designated period of time.

2. The in charge is required to provide expenditure vouchers to corporate office immediately after the close of designated period of time.

3. The concerned section of finance and accounts department should process the vouchers and send to the proper authority for approval.

4. Discrepancy detected at the examination of vouchers. 27

5. The amount in the vouchers as found and approved should be made available to the concerned after posting to the concerned account.

Advances

There may require some unavoidable advance such as: Advance to vendor for specific product. Advance to employee on humanitarian ground whatever the nature of advance this should be made available to the beneficiary after proper approval from the top management of the company. The department should take necessary steps to realize the advance as per understanding.

Prepayments & security deposits: Prepayments required for rental office should be made available as per agreement on approval by the management. The department of finance and accounts should adjust the prepayments as per agreement. No lapse in this regard will be allowed. In addition, there require some security deposits for securing business telephone, customs etc. these should be made through cheque subject to the approval from the anagement. The corporate finance and accounts department will be responsible to bring back the same at the end of the stipulated period. In addition, the transactions should be accounted for properly.

Investment

Investment policies are too complex to fully discuss here, but controls for managing investments should include the following:

• The finance and accounts department is to implement the investment decision to the company.

• The present policy in this regard is to place fund in fixed deposit reserve with banks and in saving certificated issued by the government.

• The investment will be made when the board of directors takes decision. 28

• The interest earning in this regard will be accounted for on maturity of the investment.

General ledger

The general ledger (G/L) accumulated all accounting activities for an accounting period. The importance of the (G/L) systems become apparent in light of a double entry objective that:-

(a) All transactions are properly accumulated, classified, summarized and recorded in the accounts

(b) Financial transactions and reports accurately reflect the details of all operations. As evidenced by the objective, the activities of a (G/L) system are varied, ranging from the preparation of journal entries to the production of the final financial statements. The basic flow of events for a (G/L) system is simple, revolving mainly around the journal entry. Initially journal entries are prepared by summarizing the period's activity. Journal entries are then posted to the (G/L). Reports are generated from the (G/L), reviewed for accuracy and any variances are explained. Finally, financial statements are produced from the final general ledger. Because of the impact of the (G/L) system, the following key controls are imperative:-

- Approval of all journal entries by a designated authority before posting.
- Checking of validation sheet of journal entries to confirm the accuracy of the posting.
- Review of month end financial statements by departmental heads. 29

Accounting Activities

As stated above, summarization of the month's activities is done via journal entry. The different accounting activities that give rise to journal entries are as follows:-

Cash activities

Cash receipts: Cash payment is received through money receipt from different sources

i) Cash sales

ii) Credit collection

All receipts either cash or cheque must be entered to the respective revenue centers individually. At the end of the month journal entries of accumulated figure is to be posted to the (G/L) accounts.

Disbursements: Posting is required at the time of each payment individually to the respective head of accounts.

Operating activities

Accounts payable: There are some recurring expenses identifies as accounts payable such as Direct cost, General cost- Salary, Rent etc. This type of expenses is to be recorded on cash basis in the existing data base file. At the end of month this is to be treated as payment against account payable in the reporting software.

Account receivable: Credit sales will be treated as accounts receivable and at month end journal entries receivable is to be posted to the (G/L) in order of revenue center.

4.2 Objective-2: To know how to company evaluates Asset & Liabilities and measure depreciation of Jinnat Knitwears Ltd.

Accumulated depreciation an asset or liabilities

Accumulated depreciation is the grand total of all depreciation expense that has been recognized to date on a fixed asset. As such, it is considered a contra asset account, which means that it contains a negative balance that is intended to offset the asset account with which it is paired, resulting in a net book value. Accumulated depreciation is classified separately from normal asset and liability accounts, for the following reasons:

- It is not an asset, since the balances stored in the account do not represent something that will produce economic value to the entity over multiple reporting periods. If anything, accumulated depreciation represents the amount of economic value that has been consumed in the past.
- It is not a liability, since the balances stored in the account do not represent an obligation to pay a third party. Instead, accumulated depreciation is used entirely for internal record keeping purposes, and does not represent a payment obligation in any way.

If you must make a choice between classifying accumulated depreciation as an asset or liability, it should be considered an asset, simply because that is where the account is reported in the balance sheet. If it were to be categorized as a liability, this would create the incorrect impression that the business has a liability to a third party.

Jinnat Knitwears Ltd.
Balance Sheet
as at 31 December 2015

Property and assets	Note	2015 Taka	2014 Taka
Cash	5		
In hand (including foreign currencies)	5.1	150,000	150,000
Balance with Bangladesh Bank and its agent bank(s) (including foreign currencies)	5.2	82,047,426	84,621,526
		82,197,426	**84,771,526**
Balance with other banks and financial institutions	6		
In Bangladesh	6.1	1,063,034,059	736,811,385
Outside Bangladesh		-	-
		1,063,034,059	**736,811,385**
Money at call and short notice		-	-
Investments	7		
Government	7.2	-	415,000,000
Others	7.3	187,048,680	300,037,536
		187,048,680	**715,037,536**
Loans and advances			
Loans, cash credits, overdrafts, etc.	8	6,415,776,969	5,676,790,793
Bills purchased and discounted		-	-
		6,415,776,969	**5,676,790,793**
Fixed assets including land, building, furniture and fixtures	9	207,043,649	224,130,901
Other assets	10	243,163,438	302,568,585
Non financial institutional assets	11	3,752,405	3,752,405
Total assets		**8,202,016,626**	**7,743,863,131**
Liabilities and capital			
Liabilities			
Borrowings from other banks, financial institutions and agents	12	227,064,552	398,377,801
Deposits and other accounts	13		
Current accounts and other accounts		-	-
Bills payable		-	-
Savings deposits		-	-
Term deposits		4,544,692,563	3,997,390,887
Bearer certificate of deposits		-	-
Other deposits		-	-
		4,544,692,563	3,997,390,887
Other liabilities	14	955,647,653	1,056,286,355
Total liabilities		**5,727,404,768**	**5,452,055,043**
Shareholders' equity			
Paid up capital	15	1,262,504,730	1,147,731,580
Share premium	16	167,014,000	167,014,000
Statutory reserve	17	332,758,289	284,720,219
Assets revaluation reserve	18	127,086,739	127,086,739
Retained earnings	19	585,248,100	565,255,550
Total shareholders' equity		**2,474,611,858**	**2,291,808,088**
Total liabilities and shareholders' equity		**8,202,016,626**	**7,743,863,131**

Balance sheet (continued)

	Note	2015 Taka	2014 Taka
Off-balance sheet items			
Contingent liabilities			
Acceptances and endorsements		-	-
Letters of guarantee	20	11,612,000	5,590,000
Irrevocable letters of credit		-	-
Bills for collection		-	-
Other contingent liabilities		-	-
Total contingent liabilities		**11,612,000**	**5,590,000**
Other commitments			
Documentary credits and short term trade-related transactions		-	-
Forward assets purchased and forward deposits placed		-	-
Undrawn note issuance and revolving underwriting facilities		-	-
Undrawn formal standby facilities, credit lines and other commitments		-	-
Total other commitments		-	-
Total off-balance sheet items including contingent liabilities		**11,612,000**	**5,590,000**

Chairman　　Director　　Company Secretary

Jinnat Knitwears Limited
Liquidity Statement
(Assets and liabilities maturity analysis) as at 31 December 2015

Particulars	Up to 1 month	1-3 months	3-12 months	1-5 years	Above 5 years	Total
	Taka	**Taka**	**Taka**	**Taka**	**Taka**	**Taka**
Assets						
Cash in hand (including balance with Bangladesh Bank)	82,197,426	-	-	-	-	82,197,426
Balance with other banks and financial institutions	114,776,778	765,810,001	182,447,280	-	-	1,063,034,059
Money at call and short notice	-	-	-	-	-	-
Investments	28,125,000	-	59,048,680	84,375,000	15,500,000	187,048,680
Loans and advances	380,715,851	754,917,183	1,534,936,834	3,064,334,515	680,872,586	6,415,776,969
Fixed assets including land, building, furniture and fixtures	1,713,290	3,426,580	15,419,610	37,716,502	148,767,667	207,043,649
Other assets	5,210,047	8,391,591	2,378,404	1,623,489	225,559,907	243,163,438
Non financial institutional assets	-	-	3,752,405	-	-	3,752,405
Total assets	**612,738,392**	**1,532,545,355**	**1,797,983,213**	**3,188,049,506**	**1,070,700,160**	**8,202,016,626**
Liabilities						
Borrowings from Bangladesh Bank, other banks,						
financial institutions and agents	200,000,000	3,223,724	21,790,828	2,050,000	-	227,064,552
Deposits	229,233,933	851,388,643	1,735,747,286	1,698,835,978	29,486,723	4,544,692,563
Other accounts	-	-	-	-	-	-
Provision and other liabilities	36,635,677	49,684,997	130,763,137	34,470,590	704,093,252	955,647,653
Total liabilities	**465,869,610**	**904,297,364**	**1,888,301,251**	**1,735,356,568**	**733,579,975**	**5,727,404,768**
Net liquidity gap	**146,868,782**	**628,247,991**	**(90,318,038)**	**1,452,692,938**	**337,120,185**	**2,474,611,858**

4.3 Objective- 3: To understand how to assess revenue and expenditure at Jinnat Knitwears Ltd.

The differences between capital expenditures and revenue expenditures include whether the purchases will be used over the long-term or short-term. Capital expenditures (CAPEX) are funds used by a company to acquire, upgrade, and maintain physical assets such as property, buildings, or equipment.

Capital expenditures are typically one-time large purchases of fixed assets that will be used for revenue generation over a longer period. Revenue expenditures are typically referred to as ongoing operating expenses, which are short-term expenses that are used in running the daily business operations.

Revenue	Expenditure
It is defined as income earned by business with the help of its normal business activities such as sales and many more.	It is defined as payment made in cash or cash equivalent against the purchase of goods and services and it can be evidenced by invoice, receipts or any other documented proof.
Revenue is the earned formed of income. It is not necessary that earned revenue is received by the organization.	Expenditure is the spending of the organization against any purchase or any debts. It is not necessary that every spending is made into cash only.
For evaluating revenues Income statement.	For evaluating expenditure Income statement.
High share of revenues helps in getting adequate level of profits. And low share of revenues results into losses.	High share of expenditure results into losses whereas low expenses help in getting profits.

Jinnat Knitwears Ltd.

Profit and Loss Account

for the year ended 31 December 2015

Particulars	Note	2015	2014
Interest income	22	804,863,230	929,287,424
Interest paid on deposits and borrowings etc.	23	373,919,143	513,098,917
Net interest income		**430,944,087**	**416,188,507**
Investment income	24	55,405,731	86,812,815
Commission, exchange and brokerage	25	7,577,541	5,636,658
Other operating income	26	145,480,822	71,394,084
Total operating income		**639,408,181**	**580,032,064**
Salary and allowances	28	90,183,739	82,353,556
Rent, taxes, insurance, electricity, etc.	29	13,986,678	13,235,518
Legal expenses	30	12,659,979	20,566,503
Postage, stamp, telecommunications, etc.	31	3,235,851	3,055,616
Stationery, printing, advertisements, etc.	32	13,150,848	12,613,516
Managing Director's salary and allowances	33	11,195,905	7,879,996
Directors' fees	34	3,896,477	3,536,254
Auditors' fees	35	506,000	460,000
Charges on loan loss		-	-
Depreciation and repair of assets	36	27,812,852	26,217,998
Other expenses	37	16,994,196	14,991,402
Total operating		**193,622,525**	**184,910,359**
expenses Profit		**445,785,656**	**395,121,705**
before provision			
Provision for loans and advances	38	164,468,055	36,966,734
(Reversal)/provision for diminution in value of investments	38	(62,882,555)	13,348,821
Other		-	-
provisions		**101,585,500**	**50,315,555**
		344,200,156	**344,806,150**
Total provision			
Profit before		105,822,441	182,882,958
tax Provision for		(1,812,634)	(3,582,939)
taxation		**104,009,807**	**179,300,019**
Current tax	14.4	**240,190,349**	**165,506,131**
Deferred tax	39		
Net profit after tax Appropriations			
Statutory reserve	17	48,038,070	33,101,226
General reserve Proposed dividend		-	-
		-	-
Retained surplus		**48,038,070**	**33,101,226**
		192,152,279	**132,404,905**
Earnings per share (EPS)	**40**	**1.90**	**1.31**

4.4 Objective- 4: To learn about financial reports and supporting documents Jinnat Knitwears Ltd.

Key Operating and Financial Data of Preceding Five Years

	2011	2012	2013	2014	2015	Growth (%)
Operational Result						
Operational Income	692.58	861.41	1,019.25	1,016.10	860.27	-15.34%
Financial Expenses	431.52	554.66	627.68	513.10	373.92	-27.13%
Net Interest Margin	261.06	306.75	391.57	503.00	486.35	-3.31%
Operational Expenses	133.58	131.63	153.18	184.91	193.62	4.71%
Operating Profit	132.10	207.50	325.11	395.12	445.79	12.82%
Profit Before Tax	139.60	134.00	241.78	344.81	344.20	-0.18%
Net Profit After Tax	111.67	128.60	141.98	165.51	240.19	45.12%
Financial Performance						
Disbursement - Loans and Advances etc.	1,979.82	3,316.94	3,492.20	3,523.81	5,524.53	56.78%
Outstanding Loans and Advances	4,325.02	5,585.64	5,745.51	5,676.79	6,415.78	13.02%
Fixed Assets including land, building, furniture & fixtures	81.02	76.21	107.83	224.13	207.04	-7.62%
Total Assets	6,761.09	7,114.51	7,758.92	7,743.86	8,202.02	5.92%
Term Deposits	3,798.24	4,208.01	4,427.09	3,997.39	4,544.69	13.69%
Borrowings	104.02	29.70	413.98	398.38	227.06	-43.00%
Total Liabilities and Equity	6,761.09	7,114.51	7,758.92	7,743.86	8,202.02	5.92%
Equity Information						
Shareholders' Equity	1,898.72	2,027.33	2,064.97	2,291.81	2,474.61	7.98%
Paid up Capital	948.54	1,043.39	1,043.39	1,147.73	1,262.50	10.00%
Number of Ordinary Shares	94,853,850	104,339,235	104,339,235	114,773,158	126,250,473	10.00%
Net Asset Value Per Share (NAV)	15.04	16.06	16.36	18.15	19.60	7.98%
Earnings per Share (EPS)[1]	0.88	1.02	1.12	1.31	1.90	45.04%
Rate of Dividend	10.00%	10.00%	15.00%	15.00%	20%	5.00%
Year-end Market Price per Share[2]	31.80	18.00	20.00	18.20	26.70	46.70%
Market Capitalization	3,016.35	1,878.11	2,086.78	2,088.87	3,370.89	61.37%
Financial Ratios						
Current Ratio (Times)	1.36	1.39	1.18	1.25	1.21	-0.04
Debt Equity Ratio (Times)	0.26	0.23	0.20	0.17	0.09	-0.08
Interest Coverage Ratio (Times)	5.07	7.00	11.68	28.50	16.92	-11.58%
Return on Asset	1.72%	1.85%	1.91%	2.14%	3.01%	0.87%
Price Earning Ratio (Times)	35.95	17.67	17.78	13.88	14.03	.15%
Rate of NPL	13.04%	9.66%	5.95%	3.39%	1.98%	-1.41%
Rate of net NPL	1.87%	3.98%	2.37%	0.05%	-1.64%	-1.69%

Chapter- 5:

Recommendation and Conclusion

5.1 Recommendation:

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

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

5.2 Conclusion

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

Chapter- 6

Internship Experience

6.1 Description of Section Where I Intern Worked

For my internship purpose I worked in the Active of Accounting Department of Jinnat Knitwears Ltd. It was my fast experience to work any organization. After completion of academic study, all of us an organization is best opportunity to practice corporate culture and utilize academic learning. I got the privilege to work at Jinnat Knitwears Ltd. for a Period of 12 consecutive weeks. I experienced that every desk is assigned with specific jobs and particular persons, I worked with, I came to learn a lot of things which will help me not only in Professional life but also in my personal life.

6.2 My Experience

It has found the following effects of interviewer experience on the interviewing process.

- I work as an Account Officer in Jinnat Knitwears Ltd.
- In this job my main interest or duty is to maintain the receivable of Jinnat Knitwears Ltd.
- In every month I have to making the Bank Recondition.

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