Internship Report on

Financial Statement Analysis of Joycalls Bangladesh Ltd.

Submitted to:

Professor Dr. Mostafa Kamal

Department of Business Administration

Faculty of Business & Entrepreneurship

Daffodil International University

Submitted by:

Abu Bokor Mojumder

ID: 201-11-949

Program: BBA

Major: Finance

Department of Business Administration

Faculty of Business & Entrepreneurship

Daffodil International University

Date of Submission: December 10, 2024.

Letter of Transmittal

December 10, 2024

Professor Dr. Mostafa Kamal

Department of Business Administration

Daffodil international University

Subject: Submission of Internship Report on "Financial Statement Analysis of Joycalls Bangladesh Ltd."

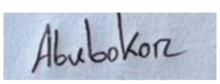
Dear Sir,

It is indeed a great pleasure for me to be able to hand over the result of my hardship of the Job analysis and the use of its result report on 'Financial Statement Analysis of Joycalls Bangladesh Ltd.'

This report is the result of the knowledge from internship time which has been acquired from the real-life experiences. The information of this report is mainly based on primary information and slightly on secondary information. It generally gathered information from the customer of that company.

In these circumstances, as a researcher fervently hope that you will find this report worth reading. Please feel free for any query or clarification that you would like to explain from researcher. Hope you will appreciate the hard work and excuse the minor errors. Thanking you for your cooperation.

Your Sincerely



Abu Bokor Mojumder

ID: - 201-11-949

Program: - BBA (Major in Finance)

Department of Business Administration

Faculty of Business and Entrepreneurship

Certification of Supervisor

This is to ensure that **Abu Bokor Mojumder**. ID No: 201-11-949 a student of Daffodil International University. He has done his internship report on **“Financial Statement Analysis of Joycalls Bangladesh Ltd** " successfully, earning a Bachelor of Business Administration (BBA) degree while working under my supervision. As far as I could possibly know and according to his statement the report a bona fide take care of on the problem and has not been submitted to anyplace for granting any degree. He can submit the internship report, and I wish him the best of luck and prosperity.

Having thoroughly reviewed the report, I confirm that it is well-prepared, and Abu Bokor Mojumder has undertaken this effort independently. I extend my best wishes for his continued success.

____

Professor Dr. Mostafa Kamal

Department of Business Administration

Faculty of Business & Entrepreneurship

Daffodil International University

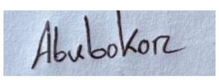
Letter of Declaration

I, Abu Bokor Mojumder, hereby announced that this internship report titled “Financial Statement Analysis of Joycalls Bangladesh Ltd." is solely prepared by me right after completing my internship at Joycalls Bangladesh Ltd, under the supervision of Professor Dr. Mostafa Kamal, Department of Business Administration, Faculty of Business and Entrepreneurship, Daffodil International University.

I further affirm that this report has not been submitted to anyone else before and will not be

Submitted to anyone in the future.

Your sincerely



Abu Bokor Mojumder

ID No: 201-11-949

Program: BBA (Major in Finance)

Department of Business Administration

Faculty of Business and Entrepreneurship

Daffodil International University

Acknowledgement

In the name of Allah, the Most Gracious, the Most Merciful. All praise and thanks are due to Allah for endless blessings. After that, I give deep respect and gratitude to my parents, whose love, guidance, and sacrifices have shaped me into who I am today. Their unwavering support and care are beyond measure. It is a great opportunity for me to do my research under honorable faculty Professor Dr. Mostafa Kamal**.** He gives ample scope to do the research more deeply. Besides, I learn lots of things during my research. As a supervisor sir guided me a lot to sort out any kind of critical problem.

That is to say, I am so grateful to him about my internship report. Without his guidance it will become more difficult for me. In this regard I am lucky to have a supervisor like him. Besides, my organizational supervisor Abdullah Al Noman (Accounting Assistant) sir helps me a lot to finish the report. He gives some vital guidance and I want to give special thanks to him who share his real-life experience that makes me more motivate for the research paper. Finally, it is a great experience for me to do the research under their guidance and very much grateful to them.

Executive Summary

This report recounts my enriching two-month internship at Joycalls Bangladesh Ltd, an integral part of my BBA program at Daffodil International University, Bangladesh. My gratitude extends to my dedicated supervisor, Professor Dr. Mostafa Kamal**,** for her invaluable guidance in selecting the topic, namely “Financial Statement Analysis”

The report is based on financial report. I have experience to work in different I completed my internship from Joycalls Bangladesh Ltd. Internship programs are the only way to get practical experience in the workplace. It would be helpful if the academic and practical components of this program were better integrated. This report was produced by the author during a two-month internship at Joycalls Bangladesh Ltd. I have experience to work in different desks of this company.

The report's most crucial elements were summarized in the first chapter, and following chapters elaborated on these themes. In this report created on the financial report of Joycalls Bangladesh Ltd 2020 to 2023. In the fast chapter I was taking about the Introduction. In chapter two, I am taking about the overview or the organization .in the chapter three taking about the theoretical analysis of the financial report. In the chapter four is the heart of the report lies in the analysis and finding section base on theory visualized and interpreted the data with example graph and chat. And the last chapter is chapter 5, taking about finding, recommendations and conclusion. This summary serves as a narrative snapshot, capturing the essence of the comprehensive exploration undertaken in this report on “Financial Statement Analysis.”

Table of Contents

List of Table	

List of Graph

Chapter 1: Introduction

1.1 Introduction

Joycalls Group is a conglomerate focused on creating new technological solutions for mobile operators. Openness to new projects and ideas, as well as reliability and experience make Joycalls a universal partner for solving a wide array of challenges on the high-tech market. Together with its partners, Joycalls Group defines new horizons for the development of the mobile industry. During 10 years of existence, our group of companies brought to life more than 150 projects with SMS, IVR, USSD, RBT, WAP, GPRS and other technologies. One firm that offers services to cellphone providers is Joy Calls Group. It talks about the technology the business utilizes and what it does for its customers. The fact that Joy Calls Group has been in operation for 15 years and has extensive expertise assisting cell carriers in boosting their income are just two of the key aspects. Joycalls Group - the reinvented brand of Nikita Mobile, an acknowledged leader of the mobile market in Russia and the CIS with over 11 years of experience. Incorporated in 2005.More than 85 employees across Eurasia. Carried out over 150 projects with a diverse range of technologies. Their partners are located across diverse geographical areas including: Russia, Uzbekistan, Cambodia, Kyrgyzstan, Kazakhstan, Bangladesh, Sri Lanka, Tajikistan, Malaysia and more. They can also develop "made to order" services, catered to the most diverse needs and requirements of the clients.

1.2. Significance of the report

The report's analysis of Joycalls Bangladesh Ltd.'s financial performance is its primary contribution. Reports and studies on this sort of enterprise are quite rare. Additionally, there is a very brief report that goes into great depth on Joycalls Bangladesh Ltd.'s financial situation. This report may be significant as it reveals the fundamental financial issues and their fixes. Learn about any deficiencies or short comings pertaining to financial matters. Finding the main financial problems that can be influencing Joycalls Bangladesh Ltd.'s performance is the main goal of the report. Low profitability, excessive operating expenses, liquidity concerns, or poor financial management are a few examples of these problems. Early detection of these issues is crucial for implementing corrective measures that will guarantee the company's expansion and financial stability.

The study assists the business in identifying potential weak points in its financial plans by pointing out their flaws. For instance, it might reveal inappropriate resource allocation, poor performance in particular revenue streams, or inefficiencies in cost control. Resolving these issues is essential to raising market competitiveness and financial performance.

1.3. Objectives of the study

General Objectives:

Through this study, I will be able to learn more about the notion of financial statement analysis, how to make decisions in both stable and unstable situations, how to improve my financial condition, and how to build an organizational network that will benefit me in my future professional endeavors.

Specific Objectives:

- To relate theoretical knowledge with practical experience at Joycalls Bangladesh Ltd.
- To explore its activities of Joycalls Bangladesh Ltd.
- To identify the current financial situation of Joycalls Bangladesh Ltd.
- To identify its problems and suggest the recommendations.

1.4. Methodology

Primary sources-

- 3 months internship
- Customer Surveys
- Interviews with Staff and Management
- Focus Groups
- Observation of Operations
- Analysis of Consumer Feedback and Complaints

Secondary sources-

- Books
- Annual report
- Websites
- Evaluate Market and Industry Reports
- Analyze Published Studies and Articles

1.5. Limitations of the study

Time Restrictions:

- Limited time for new strategy execution and study.
- Pressure to swiftly adjust to changes in the market, which has an impact on long-term planning and quality.
- Brief timelines that might prevent in-depth data examination.

Limitations of the Scope:

- Limited geographic reach or service options, which restricts market growth.
- A restricted emphasis on particular telecom services, which limits the potential for diversification.
- Restricted funds for implementing cutting-edge technologies or extending infrastructure.

Problems with Data Finding:

- Accessing precise or thorough market data for decision-making can be challenging.
- Inadequate methods or techniques for examining market trends or consumer behavior.
- Difficulties obtaining real-time data, which might impact prompt reactions to client demands or changes in the market.

Chapter 2: Organizational Overview

2.1. Background and history of Joycalls Bangladesh Ltd.

In the early 2000s, Joycalls Bangladesh Ltd. was founded at a critical juncture in Bangladeshi telecommunications history. The nation was seeing a surge in urbanization and a rise in the need for mobile communication. Joycalls was established with the goal of connecting people in both urban and rural locations by offering dependable and easily available telecommunications services. Joycalls initially concentrated on introducing competitive mobile voice services, such as postpaid and prepaid contracts. The business positioned itself as a supplier that is focused on the needs of the client, placing a premium on both quality and price. In a market where a small number of powerful companies reigned, this tactic helped it acquire traction.

2.2. Vision

Joycalls hopes to establish itself as one of Bangladesh's top telecom service providers, known for its dedication to quality, innovation, and client happiness. By bringing its services to disadvantaged areas, encouraging digital literacy, and advancing the nation's socioeconomic growth, the firm hopes to close the digital gap. Joycalls' ultimate goal is to change Bangladesh's communication environment by fostering more inclusivity and connectivity.

- Joycalls wants to compete with the biggest names in the telecom sector and establish itself as a premier service.
- The business is dedicated to adopting cutting-edge tools that improve communication.
- Joycalls sees a day when its activities revolve around ensuring the delight of its customers.
- Bridging Bangladesh's digital gap is a fundamental component of Joycalls' goal.
- Joycalls is committed to incorporating sustainability into all aspects of its business.
- The organization wants to use digital platforms to give clients more participatory and interesting experiences.
- Joycalls endeavors to establish strategic alliances with technological companies, nearby enterprises, and community associations.

2.3. Mission

Joycalls Bangladesh Ltd. seeks to link people throughout Bangladesh by offering dependable, dependable, and high-quality telecommunications services. The company's mission is to improve client experiences by providing creative solutions, first-rate support, and affordable prices. Joycalls focuses on community involvement and technology improvements in order to enable people and companies to prosper in a connected society.

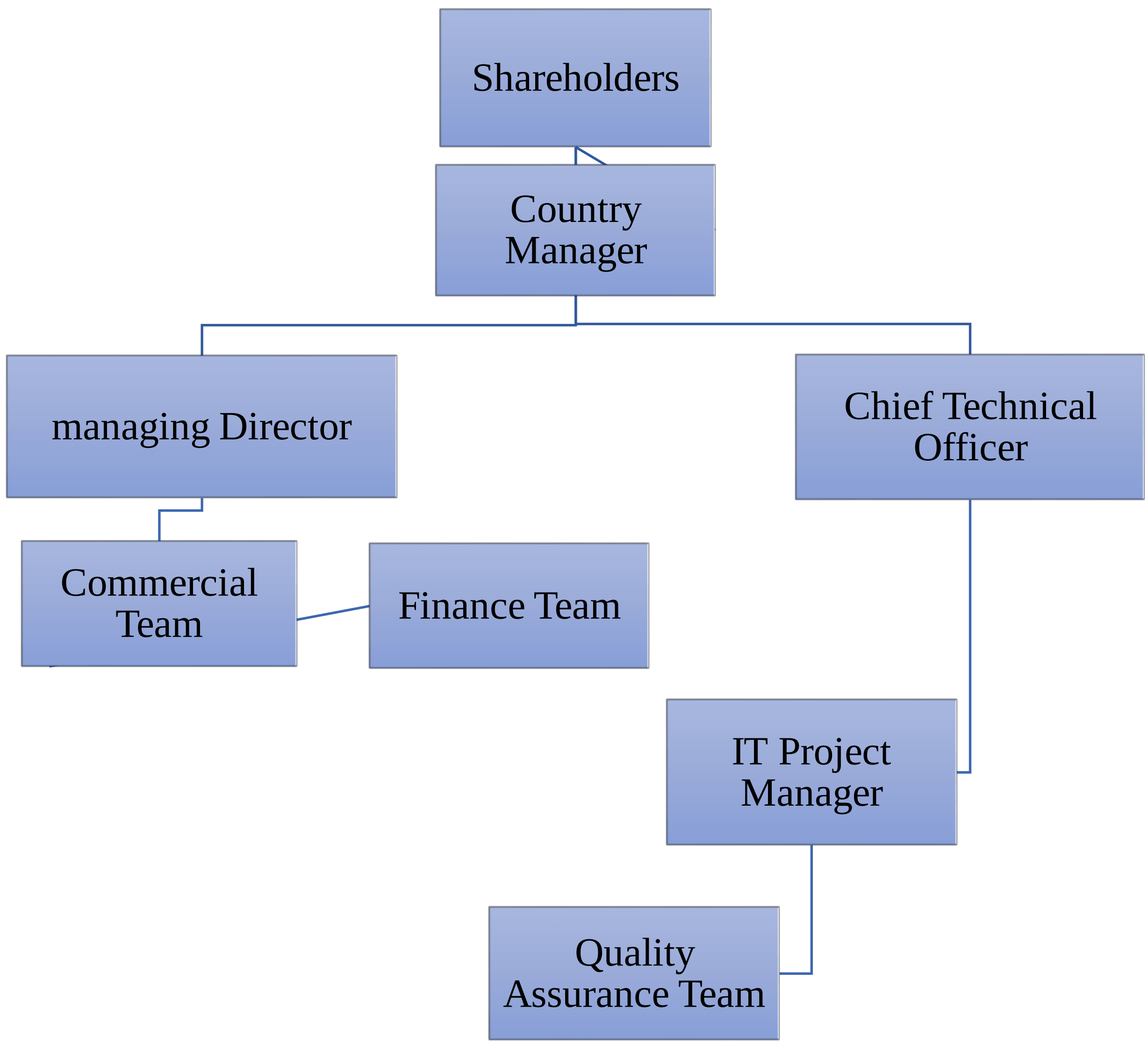
- Providing excellent telecommunications services is a top priority for Joycalls Bangladesh Ltd.
- All population segments, including those living in rural and urban locations, are to have access to telecommunications, according to the company's goal.
- A key component of Joycalls' purpose is reliability. In order to reduce downtime and service interruptions, the organization employs strong network management methods.
- Joycalls is committed to providing excellent customer service. To better understand the requirements and interests of its customers, the business actively solicits their input.
- Joycalls makes innovative investments to remain competitive in a field that is changing quickly.
- Recognizing the value of cost, Joycalls provides a selection of price options catered to various clientele groups.
- Joycalls aims to enable its clientele by providing easier access to communication and information technology.
- Joycalls is aware of its responsibilities to the community and takes an active part in many events.

2.4. Objectives:

With a strong focus on customer happiness, network growth, technical innovation, affordability, digital inclusion, sustainability, community participation, employee development, and financial success, Joycalls Bangladesh Ltd. has measurable goals that can be put into practice. Together, these goals help to establish Joycalls as Bangladesh's conscientious and progressive telecom company.

- Enhance the experience and happiness of customers.
- Increase network coverage, especially in locations that are underserved.
- Make investments in cutting-edge technology to improve service offerings.
- Encourage accessible and reasonably priced products.
- Take part in corporate social responsibility and sustainability practices.
- Provide services and initiatives that are specifically designed to meet the requirements of low-income and rural populations.
- To encourage a good influence, support community development activities, health initiatives, and educational programs.

Human Resource Organogram



2.5. Core Value

- Customer-Centric Focus
- Quality and Reliability
- Technological Innovation
- Accessibility and Affordability
- Community Engagement
- Sustainability Commitment
- Employee Development

2.6. Joycalls Bangladesh Ltd. Services

1. Alibi Sound Service:

Service subscribers can choose a noise or song to be played DURING their telephone conversation (Not RBT - sounds are introduced in the conversation). A wide range of free sounds (sea waves, busy street, park, loud restaurant, etc.) and purchasable popular songs. Unique opportunity to disguise where you are from the recipient of the call!

2. Friend Finder 360-SMS /IVR /WAP Chat:

An easy service which allows to join a chat-room or find a partner for communication. Age, sex and other parameter-based chat rooms supported. Key attractive feature for subscribers

- fully anonymous, the user's number is not shared with the chat partner. Diverse add-on growth possibilities

3. SMS Firewall (Anti-Spam Filter):

An easy-to-integrate tool developed by our experts to control all SMS traffic within a network.

This tool allows the operator to filter out any bulk SMS which are distributed without his consent through different platforms (such as international SMS-gateways). Grants the operator full control of the SMS flow and ability to monetize all previously unpaid bulk messaging.

4. Smart Zero:

This service allows prepaid subscriber to use data and calls even when he or she has low balance on his phone by listening to diverse ad messages from brands. And by requesting extra balance. This service introduces new unique advertising inventory and monetizes both B2C and B2B clients

5. Magic Voice:

An IVR service which allows users to make calls with their voice altered in a range of humorous voices: child, robot, lizard, brutal male, etc. Key attractive feature for users - ability to try and test for free all voices before calling.

6. Wrong Call Routing:

This service allows to perform advertising campaigns in case a subscriber dials incorrect phone number. Highest possible conversion rate of all telco marketing tools - 3 to 5 %!

7. Ring Back Tone:

A utility which allows subscribers to change the traditional beep sound heard by those who call the users prior to the call being answered. A range of free and purchasable sounds and pop songs available.

8. Promised Payment Service:

When a user depletes the funds on his account he is offered. Key attractive features for operator - JOYCALLS guarantees the return of all funds granted to users under these services and user are able to connect the service while making a telephone call without resort to specific commands.

9. Mobile dating:

(More than 6 000 000 users since 2006)

SMS-dating service with an option to find partners depending on different interest groups and aims of dating. Favorite contact and friends list supported. Full anonymity as an attractive factor for users.

10. Application Development:

(JAVA, Win, iOS, Android, etc.) since 2005.

11.SMS Service:

Carrying out SMS-related projects such as:

SMS voting systems for Russian state TV projects: Ice Age, Star Factory, Circus with the Stars, Minute of Fame, News from the 2006 World Cup Football via SMS, Quiz "Winter Romance", Tickets to "Scorpions" concert quiz, etc.

12. Real Time Campaign Management:

Our partners: www.mail.ru, www.odnoklassniki.ru, www.vkontakte.ru.

Allows to optimize the process of planning advertisement campaign, to facilitate the process for managing and automation campaigns' launch through different communication channels along with providing opportunity of monitoring and measurement of campaign's effectiveness.

13.STK & DSTK:

Development of SIM menu for any mobile operator.

14. Our Services:

We are proud to say that our team of highly trained and experienced specialists can develop any solution in the sphere of mobile telecommunications catered to the most demanding needs of our clients. You have ideas, we bring them to life.

2.8. Mobile Financial Service

Cambodia

1. Pay Go Wallet and kiosk System [www.paygo24.com]

Uzbekistan

1. National Bank of Uzbekistan

Mobile Banking

Chapter 3: Theoretical Analysis

3.1. Financial Performance Analysis:

Financial performance analysis is the process of identifying the financial strengths and weaknesses of the firm by properly establishing the relationship between the items of balance sheet and profit and loss account. It also helps in short-term and long-term forecasting and growth can be identified with the help of financial performance analysis. The dictionary meaning of 'analysis' is to resolve or separate a thing into its element or components parts for tracing their relation to the things as whole and to each other. The analysis of financial statement is a process of evaluating the relationship between the component parts of financial statement to obtain a better understanding of the firm's position and performance.

3.2. Balance Sheet:

Balance Sheet is the financial statement of a company which includes assets, liabilities, equity capital, total debt, etc. at a point in time. Balance sheet includes assets on one side, and liabilities on the other. For the balance sheet to reflect the true picture, both heads (liabilities & assets) should tally (Assets = Liabilities + Equity). Monetary record is more like a preview of the money related situation of an organization at a predetermined time, normally determined after each quarter, a half year or one year. Accounting report has two primary heads – resources and liabilities.

3.3. Income Statement:

The income statement, sometimes referred to as a profit and loss statement, is a report prepared by management of the firm that displays the net income or loss, expenses, and revenue for a specific time period. The income statement displays earnings and outlays for a certain time frame. This might happen every month, every three months, every six months, or every year. For instance, an income statement for January would display all of the month's earnings and outlays. Additionally, it would display the net profit or loss for the month of January. Typically, income statements prepared for management have a shorter timeline. Management uses these weekly or monthly income statements to assess how well the business is doing. Investors and creditors are more likely to use quarterly and yearly income statements to monitor the company's overall performance.

3.4. Ratio Analysis:

Ratio analysis is an ancient and significant method. It is an effective instrument for financial analysis. "The relationship between two or more things" and "the indicated quotient of two mathematical expressions" are its definitions. Using ratios methodically is to interpret the financial statement in order to ascertain a company's prior performance, present financial status, and strengths and weaknesses. A percentage is just a comparison between the denominator and the numerator. The concept of proportion refers to the quantitative or mathematical relationship between two numbers. The relationship between two figures is thus known as proportion, and it is obtained by dividing the previous by the latest one. Proportions are used to demonstrate how one number is related to another. The fiscal reports' content is presented in a straightforward manner, is illogical, and is meaningless. Proportions are a relative form of budgeting data and a very useful tool for assessing a company's efficacy. A few measurements demonstrate the firm's trend, advancement, or failure.

3.5. Significance of Ratio Analysis:

- Analysis of Financial Statements
- Helps in Understanding the Profitability of the Company
- Analysis of Operational Efficiency of the Firms
- Liquidity of the Firms
- Helps in Identifying the Business Risks of the Firm
- Helps in Identifying the Financial Risks of the Company
- For Planning and Future Forecasting of the Firm
- To Compare the Performance of the Firms

3.6. Group of Financial Ratio-

Analyzing Liquidity Ratios:

The term liquidity is characterized as the capacity of an organization to meet its budgetary ridiculously due. The liquidity proportion, at that point, is a calculation that is utilized to quantify an organization's capacity to pay its momentary obligations. There are three basic counts that fall under the classification of liquidity proportions. The current proportion is the most liberal of the three. These three proportions are frequently assembled by money related examiners when endeavoring to precisely quantify the liquidity of an organization. Some basic measures are:

Current Ratio:

The current ratio indicates a company's ability to pay its current liabilities from its current assets. This ratio is one used to quickly measure the liquidity of a company. The Current proportion, one of the most generally referred to monetary proportions, gauges the association's capacity to meet its momentary commitments. The higher the current proportion, the better the liquidity position of the firm. The formula for the current ratio is:

Current Ratio = Current Assets ÷ Current Liabilities.

Significance:

- A greater current ratio indicates liquidity as it shows that the business has enough assets to pay its short-term debts.
- Given that the business could find it difficult to pay its short-term obligations, a current ratio suggests possible liquidity problems.

Assumptions:

- Short-Term Asset Liquidity: Presupposes that current asset, such as cash and receivables, may be swiftly turned into cash without depreciating in value.
- Stability of Short-Term obligations: Presupposes that present obligations won't undergo major changes very soon.
- Operating Cycle Consistency: Presupposes that the business's activities provide a consistent exchange of assets and liabilities.

Net Working Capital:

Net Working Capital is the net of all out current resources of an element. when we need to survey the liquidity issues in the organization, net working capital is one of the most significant things to be incorporated. At some point we utilize this proportion to survey how effectively the organization utilize its present resources. Two primary significance things associated with net working capital computation are current liabilities and current resources. Current resources are higher than current liabilities, that mean the organization may have enough reserve to help its liabilities and activity costs. The formula for the Net Working Capital is:

Net Working Capital =Total Current Asset-Total Current Liabilities.

Significance:

- NWC is a liquidity indicator that shows how well a business can pay its short-term debts. While a negative NWC could point to possible liquidity problems, a good NWC indicates the corporation has sufficient assets to pay off its debts.
- Operational Efficiency: Indicates how well a business handles its payables, receivables, and inventory. More NWC is frequently a sign of effective operations.

Assumptions:

- Liquidity exists in current assets and liabilities. assumes that liabilities must be settled within a year and that existing assets may be turned into cash.
- Constant Conditions of Operation: assumes that the operating environment of the business stays constant, making NWC a trustworthy indicator of liquidity.

Quick Ratio:

A proportion of liquidity is determined by separating the company's present resources less stock by its present liabilities. The snappy proportion is like the current proportion aside from that it bars stock, which is commonly the least fluid current resource. The quick ratio measures the firm's ability to meet short term obligation using its most liquid asset. The quick ratio is a measure of liquidity calculated by dividing the firm's current assets minus inventory by its current liabilities. The formula for the Quick Ratio is:

Quick Ratio = (Current assets – Inventory)/Current Liabilities.

Significance: Because it indicates whether a business can pay off its short-term obligations without selling inventory—which may be more difficult to dispose quickly—the fast ratio is important. The corporation is said to have sufficient liquid assets to satisfy its immediate liabilities if the ratio is one or more.

Assumptions: The quick ratio makes the potentially inaccurate assumption that accounts receivable can be recovered rapidly. Because it concentrates on immediate liquidity and does not include inventories or other less liquid assets, it is more cautious than the current ratio.

Analyzing Activity Ratios:

Movement proportions quantify how productively the business is running. We regularly call this as "Resources Management Ratio" for example how productively the benefits of the organization are being utilized by the administration to create greatest conceivable income. For the most part, this proportion shows how much deals have occurred in contrast with different classifications of advantages.

Total asset Turnover:

Total asset turnover is a monetary effectiveness proportion that indicates the capacity of an organization to utilize its assets to make profit. The all-out resource turnover proportion is determined by isolating the net deals by the normal absolute resources. The formula for the Total Asset Turnover is:

Total Asset Turnover=Sales/Total asset.

Significance:

- A greater ratio denotes more effective utilization of resources to produce income.
- A lower ratio might indicate that the business could increase its operational efficiency or that assets are underused.

Assumptions:

- Sales are efficiently supported by the company's assets.
- There are no sporadic ups or downs in the sales numbers; they reflect regular business operations.

- The value of the assets is current and correct; for better depiction, the average over a period is usually used.

Inventory Turnover:

Inventory turnover proportion, characterized as how frequently the whole stock of an organization has been sold during accounting period, is a central point to accomplishment in any business that holds stock. It shows how well an organization deals with its stock levels and how much of the time an organization renews its stock. The formula for the Inventory Turnover Ratio is:

Inventory Turnover Ratio=Cost of goods sold/Inventory

Significance:

- Efficiency Indicator: While a low turnover may point to overstocking or poor sales, a high turnover indicates robust sales or efficient inventory management.
- Impact on funds Flow: Quicker turnover improves liquidity by releasing funds held in inventories.

Assumptions:

- Constant Demand: This presupposes that demand is constant, which improves the consistency of turnover comparisons.
- Average Inventory: Pretends that the average inventory is a good representation of normal levels, albeit this can be distorted by swings.
- COGS Accuracy: Depends on precise cost information since errors in COGS have an impact on turnover accuracy.

Average Collection Period:

Average collection period shows the normal number of days slipped by between a credit deal and the date the organization gets the installment from the credit deal. The formula for the Average collection period is:

Average collection period= (Days account receivable)/Credit sales.

Significance:

- Cash flow and liquidity are enhanced by faster collection, which is indicated by a smaller ACP.
- Efficiency of Credit Policy: Indicates how well the business's credit conditions work.
- client Creditworthiness: Slow payment patterns or problems with client creditworthiness may be indicated by a high ACP.

Assumptions:

- Credit is used for sales instead of cash.
- Receivables are regularly collected within the projected time frame.
- For the duration of the computation, consistent sales and collection rates are assumed.

Analyzing Debt Ratios:

Debt ratios are the estimation of money related quality that mirrors the extent of capital which has been subsidized by obligation including inclination shares. This ratio can be calculated as follows:

Debt Ratio=Total Liability/Total Asset.

Significance:

- Debt-to-Equity Ratio: Indicates the proportion of debt to equity that a business utilizes to fund operations. Reliance on borrowed money is indicated by a high ratio, which may indicate more risk in the event that cash flow changes.

- Debt Ratio: Indicates the percentage of a business's assets that are funded by debt. More leverage is indicated by a larger debt ratio, which might increase returns if the business does well but also increase risk during downturns.

Assumptions:

- Cash flow stability: presupposes that the business can reliably pay off its debt.
- Industry norms: While high debt ratios may be common in capital-intensive industries (such as utilities), they can also be dangerous in other industries.
- Interest rates: Assuming they stay within reasonable bounds, rising rates result in higher payback expenses.

Analyzing Profitability Ratios:

Gross Profit Margin:

Gross profit margin is a benefit proportion that shows the connection between net benefit and deals income.

Gross Profit Margin= (Sales-Cost of goods sold)/Sales-Gross profit/Sales.

Significance:

- Profitability Measure: Shows the amount of money made from the company's main operations before taxes, interest, and operational costs are deducted.
- Cost Efficiency Insight: Indicates how effectively a business controls its purchasing and production expenses in relation to sales.

Assumptions:

- steady Prices and Costs: This assumption may not take variations into account and assumes steady manufacturing costs and consistent pricing.
- Sales Mix Consistency: Assumes that the mix of products and services sold is constant; a shift in this mix may affect profits.
- Normal Operating Conditions: Not include exceptional expenses or erratic revenue occurrences, this is based on typical business operations.

Net Profit Margin:

Net profit margin is typically expressed as a percentage but can also be represented in decimal form. The net profit margin illustrates how much of each dollar in revenue collected by a company translates into profit.Net profit margin is calculated as follow:

Significance:

- Profitability Indicator: Shows a company's degree of profitability after all expenses are paid.
- Operational Efficiency: Strong cost control and effective management are reflected in a higher NPM.

- Investor Appeal: Investors find a greater NPM appealing as it suggests a sound financial situation and maybe little risk of investing.

Assumptions:

- Cost Consistency: Presupposes constant expenses; abrupt adjustments may have an impact on NPM.
- Revenue Stability: Presupposes steady or rising revenue because declining income might result in a lower NPM.
- Expense Control: Presupposes that the business has command over its spending; unforeseen expenses may result in a reduction in NPM.

Net Profit Margin = Net Profit After Tax/Sales.

Return on Asset (ROA):

ROA is known as the company's profit for resources; it quantifies the general adequacy of the board in creating benefits with its accessible resource. The higher proportion is better.

ROA= Net profit after tax/Total Assets.

Significance:

- Efficiency Indicator: ROA shows how effectively management is turning a profit from the company's assets.
- Comparative analysis helps investors assess performance by comparing businesses in the same sector.
- Investment Decision: A firm with a higher ROA is thought to be more efficient, which attracts investors.

Assumptions:

- Stable Asset Base: ROA makes the assumption that the asset base is mostly constant during the examined time frame.
- Net Income Reliability: It is predicated on the idea that net income is a consistent indicator of profitability, devoid of sporadic gains or losses that could distort outcomes.
- Industry Norms: Because asset utilization might differ significantly across industries, ROA should be understood in light of industry standards.

Return on Equity (ROE):

The measure of overall gain returned as a level of investors value. Profit for value gauges an enterprise's benefit by uncovering how much benefit an organization creates with the cash investors have contributed.

Return on Equity= Net Income/Shareholder’s Equity.

Significance:

- Profitability Indicator: ROE shows how well a business makes use of the money invested by shareholders to turn a profit. A more lucrative business and more effective management are indicated by a greater ROE.
- Investors can use it as a comparison tool to assess how well businesses in the same sector are doing financially.
- Investment Decisions: Companies with a continuously high ROE are preferred by investors, who frequently use ROE to evaluate possible investment possibilities.

Assumptions:

- ROE makes the assumptions that shareholders' equity represents the actual value invested in the business and that net income is a trustworthy measure of profitability.
- It ignores a company's financial structure, which might affect returns (debt vs. equity).
- Variations in ROE can be caused by adjustments to accounting rules, indebtedness, or asset usage in addition to operational success.

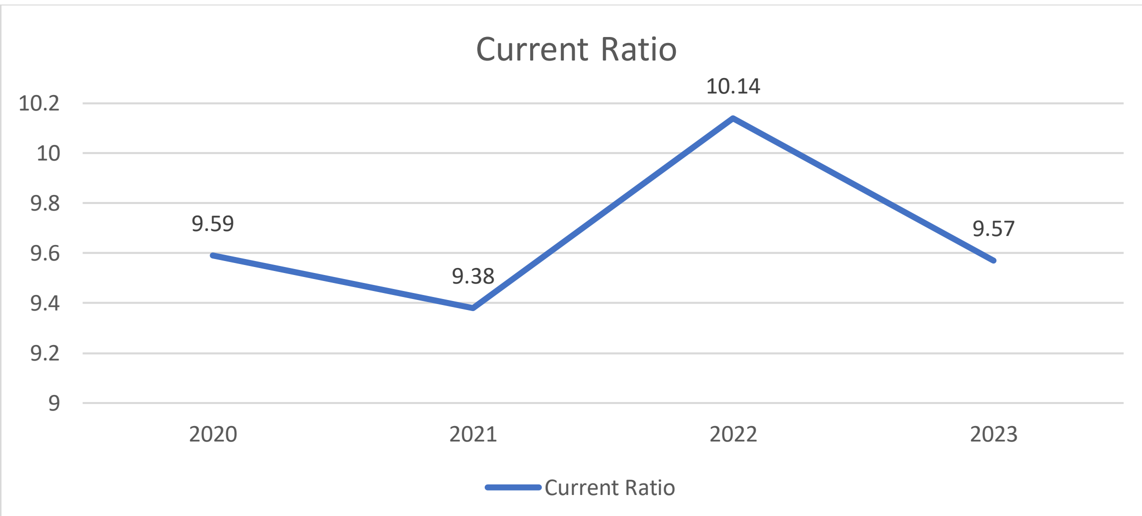
Chapter 4: Analysis and Discussion

4.1. Liquidity Ratios

4.1.1. Current Ratio:

Particulars	**2020**	**2021**	**2022**	**2023**
Current Asset	2,04,58,205	2,53,09,073	3,10,87,098	3,54,72,893
Current Liabilities	21,34,048	26,97,320	30,64,325	37,05,439
Current Ratio	**9.59**	**9.38**	**10.14**	**9.57**

(Table:1) Total Current asset and liabilities & Current ratio (2020-2023)



(Figure:1) Total Inventory Turnover Graph

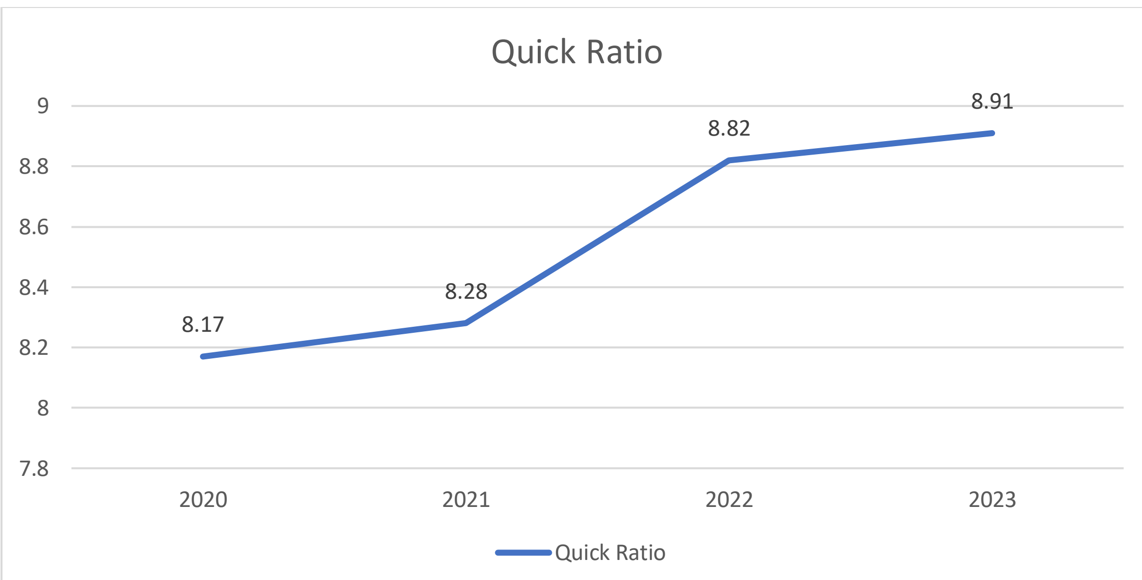
Interpretation:

The ratio slightly decreased from 2020 to 2021 before peaking at 10.14 in 2022 and then falling back to 9.57 in 2023.Between 2020 and 2021, the ratio decreased little from 9.59 to 9.38, which can be a sign of a slight fall in current assets or an increase in current liabilities. Even if this is a little alteration, it indicates that the business's capacity to meet short-term obligations somewhat declined throughout this time. From 2021 to 2022: The ratio rose sharply from 9.38 to 10.14, suggesting that the company's liquidity improved in 2022, either as a result of a decline in current liabilities or a rise in current assets (such as cash and receivables). This would imply that the business was better equipped to meet its immediate responsibilities in 2022. From 2022 to 2023, the ratio dropped somewhat from 10.14 to 9.57, indicating either a modest increase in current liabilities in comparison to current assets or a slight loss in liquidity. The corporation still has more than enough short-term assets to pay its short-term commitments, though, as the ratio is still comfortably above 1.

4.1.2. Quick Ratio:

Particulars	2020	2021	2022	2023
Current Asset	2,04,58,205	2,53,09,073	3,10,87,098	3,54,72,893
Inventories	30,23,140	29,73,146	40,73,645	24,50,720
Current Liabilities	21,34,048	26,97,320	30,64,325	37,05,439
Quick Ratio	**8.17**	**8.28**	**8.82**	**8.91**

(Table-2) Total Current asset, Inventories, and liabilities & Current ratio (2020-2023)



(Figure:2) Current Ratio Graph

Interpretation:

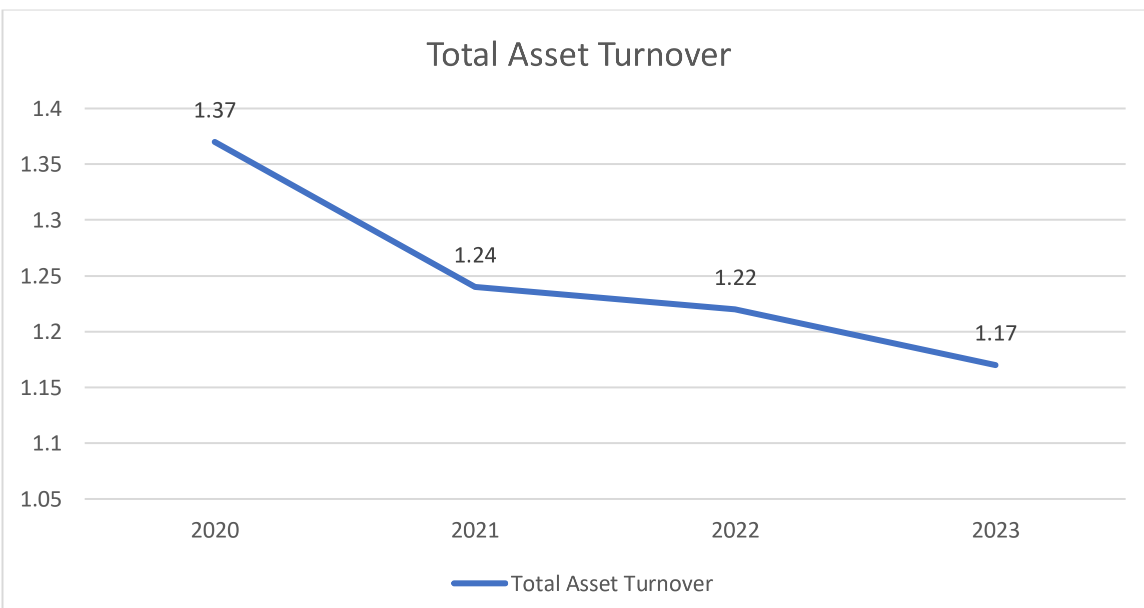
From 8.17 in 2020 to 8.91 in 2023, the ratio progressively improved, showing that the company's liquidity situation has grown stronger over time.2020–2021: A minor but encouraging shift from 8.17 to 8.28 suggests a minor improvement in liquidity and a more robust capacity to meet short-term obligations.2021–2022: The rise from 8.28 to 8.82 points to a more pronounced improvement in liquidity, which might be brought about by either a decrease in short-term liabilities or an increase in cash reserves.2022–2023: The additional increase to 8.91 demonstrates ongoing progress, suggesting that the business is keeping high liquidity and has probably handled its current liabilities successfully in relation to its liquid assets.

4.2. Activity Ratios

4.2.1. Total Asset Turnover:

Particulars	**2020**	**2021**	**2022**	**2023**
Sales	3,10,08,978	3,40,98,009	4,10,80,547	4,50,98,769
Total Asset	2,25,59,079	2,75,98,133	3,36,66,178	3,85,61,973
Total Asset Turnover	**1.37**	**1.24**	**1.22**	**1.17**

(Table:3) Total asset and Sales amount and Asset turnover ratio (2020-2023)



(Figure:3) Total Asset Turnover Graph

Interpretation:

From 1.37 in 2020 to 1.17 in 2023, the ratio has declined annually, showing a downward trend in sales per unit of assets over time.2020–2021: The decline from 1.37 to 1.24 may be a sign of a slowdown in revenue growth, or the company may have made significant asset investments without seeing a corresponding rise in revenue, which would have decreased asset turnover efficiency.2021–2022: Although the change was minor, the drop from 1.24 to 1.22 suggests that the trend of declining efficiency persisted. The company's asset base is still expanding, but revenue generation has not kept up. This could indicate inefficiencies or a lack of sales growth in comparison to asset investment, as indicated by the additional decline to 1.17 in 2022–2023.

4.2.2. Inventory Turnover Ratio:

Particulars	**2020**	**2021**	**2022**	**2023**
Cost of goods sold	19,820,842	20,351,030	22,701,546	25,390,349
Inventories	30,23,140	29,73,146	40,73,645	24,50,720
Inventory Turnover	**6.56**	**6.84**	**5.57**	**10.36**

(Table:4) Total asset and Sales amount and Asset turnover ratio (2020-2023)

(Figure:4) Total Inventory Turnover Graph

Interpretation:

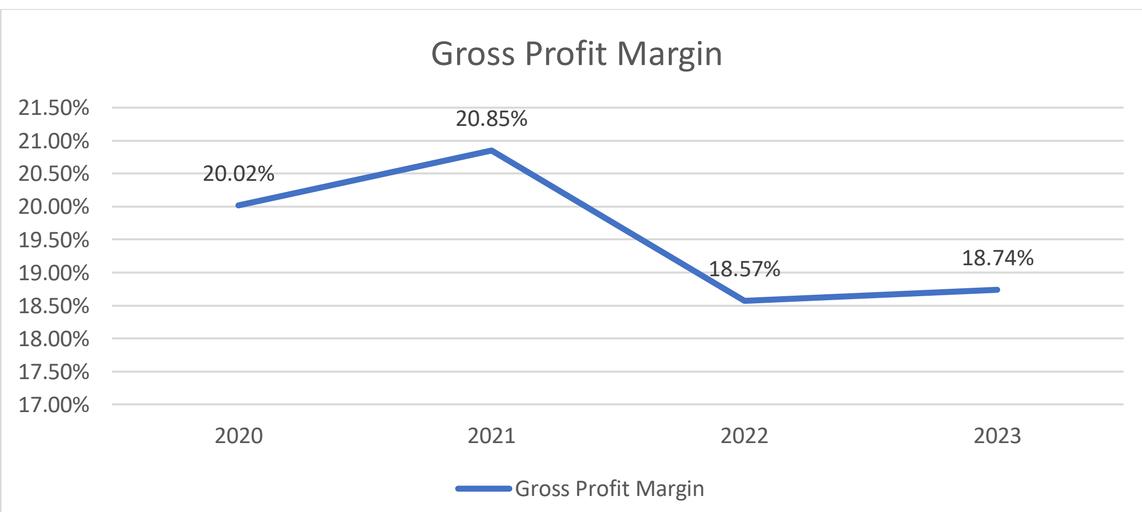
After rising from 6.56 in 2020 to 6.84 in 2021, the ratio fell to 5.57 in 2022 before sharply rising to 10.36 in 2023.2020–2021: The ratio's modest increase from 6.56 to 6.84 suggests improved inventory management effectiveness, which could be brought about by increased demand or better stock levels. 2021–2022: The significant drop to 5.57 indicates a slowing in inventory turnover, which may be brought on by longer sales cycles, more unsold goods, or lower sales. This drop could be an indication of shifting market conditions or operational difficulties.2022–2023: The corporation is now selling and replenishing its inventory considerably more efficiently, as evidenced by the substantial improvement in inventory management suggested by the dramatic increase to 10.36.

4.3. Profitability Ratios

4.3.1. Gross Profit Margin:

Particulars	**2020**	**2021**	**2022**	**2023**
Gross Profit	62,07,890	71,09,078	76,30,087	84,52,098
Sales	3,10,08,978	3,40,98,009	4,10,80,547	4,50,98,769
Gross Profit Margin	**20.02%**	**20.85%**	**18.57%**	**18.74%**

(Table:5) Gross Profit, sales amount and Gross Profit Margin (2020-2023)



(Figure:5) Gross Profit Margin Graph

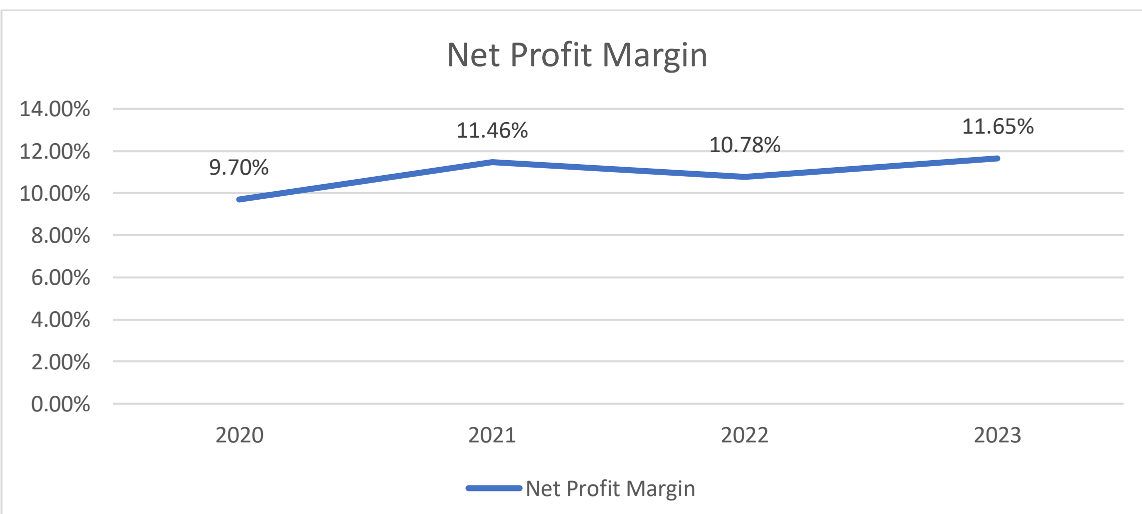
Interpretation:

After rising from 20.02% in 2020 to 20.85% in 2021, the margin fell to 18.57% in 2022 before marginally rebounding to 18.74% in 2023.2020 to 2021: The rise from 20.02% to 20.85% shows a favorable pattern in which the business increased gross profitability, either by lowering COGS or by raising revenue above COGS.2021–2022: A higher cost of sales that exceeded revenue growth or increased manufacturing expenses, such as material costs, could be the cause of the notable decline to 18.57%. This is a significant drop that can indicate difficulties with cost control.2022–2023: While the margin is still lower than in 2021, the little rebound to 18.74% suggests some progress in controlling production costs or obtaining better economies of scale.

4.3.2. Net Profit Margin:

Particulars	**2020**	**2021**	**2022**	**2023**
Net Profit After Tax	30,07,890	39,09,078	44,30,087	52,52,098
Sales	3,10,08,978	3,40,98,009	4,10,80,547	4,50,98,769
Net Profit Margin	9.70%	11.46%	10.78%	11.65%

(Table:6) Net Profit after Tax, sales amount and Net Profit Margin (2020-2023)



(Figure:6) Net Profit Margin Graph

Interpretation:

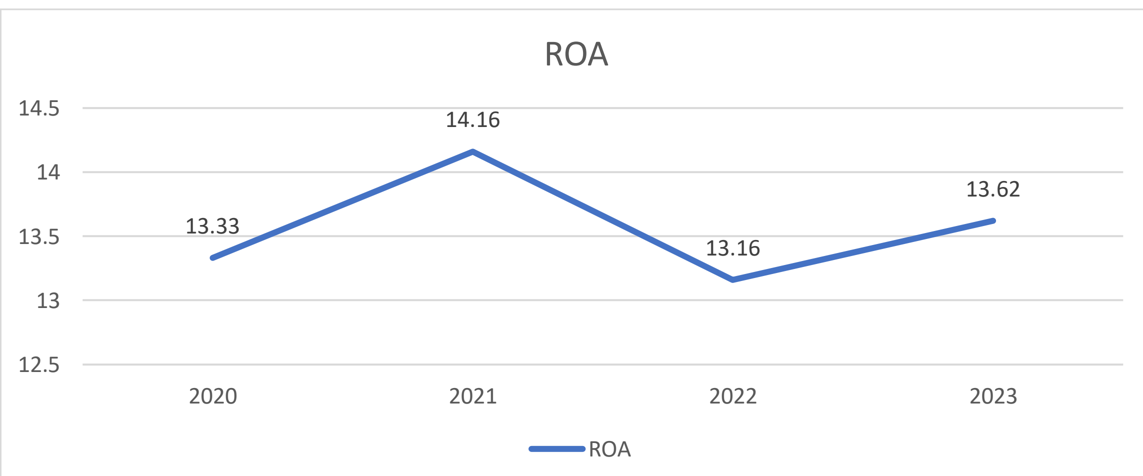
After rising from 9.70% in 2020 to 11.46% in 2021, the margin dipped little to 10.78% in 2022 before rising once more to 11.65% in 2023.2020 to 2021: The leap from 9.70% to 11.46% suggests a considerable improvement in profitability, perhaps stemming from effective management, more sales, or better control over operational expenditures.2021–2022: External reasons like increased input prices, inflation, or slower revenue growth may be to blame for the minor decline from 11.46% to 10.78%. Even if the margin shrank, it is still robust and shows great profitability when compared to 2020. 2022–2023: The rise from 10.78% to 11.65% points to a successful recovery, which may be explained by more revenue, increased productivity, or lower expenses.

4.4. Solvency Ratios

4.4.1. Return on Assets:

Particulars	**2020**	**2021**	**2022**	**2023**
Net Profit After Tax	30,07,890	39,09,078	44,30,087	52,52,098
Total Asset	2,25,59,079	2,75,98,133	3,36,66,178	3,85,61,973
Return on Asset	**13.33%**	**14.16%**	**13.16%**	**13.62%**

(Table:7) Net Profit after Tax, Total asset and Return on Asset (2020-2023)



(Figure:7) Return on Asset Graph

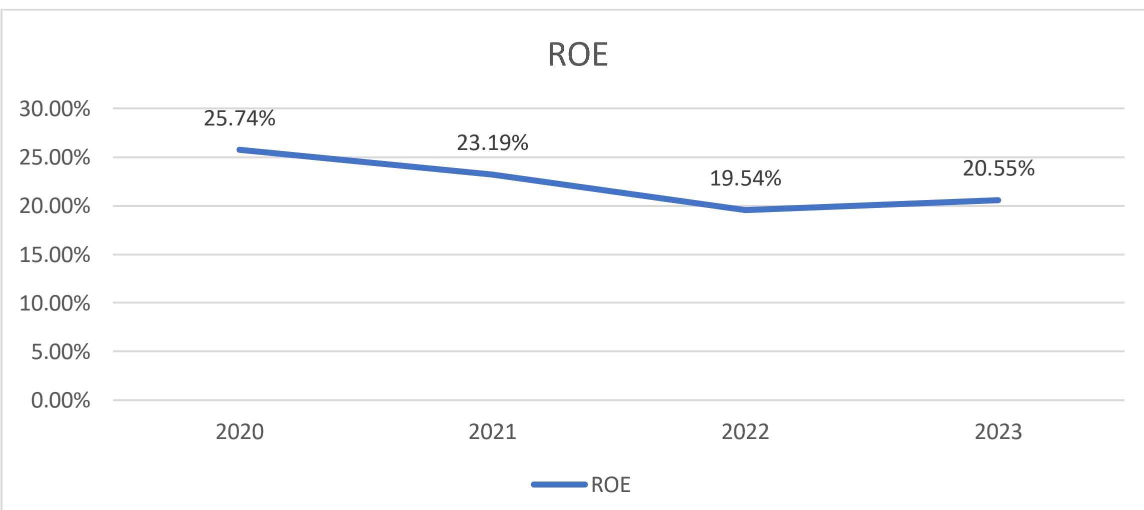
Interpretation:

Over the years, the ROA has fluctuated little but has remained quite constant. In 2020, the ROA was 13.33%; in 2021, it rose to 14.16%; in 2022, it slightly declined to 13.16%; and in 2023, it rose once more to 13.62%.2020–2021: The rise from 13.33% to 14.16% indicates that the business improved its ability to use its resources profitably. This can be the result of improved asset management and operational performance.2021–2022: A slowdown in profitability growth or an increase in assets that did not immediately result in better profits might be the cause of the modest fall to 13.16%.2022–2023: The recovery to 13.62% suggests that the business has improved its ability to make a profit from its assets.

4.4.2. Return on Equity:

Particulars	**2020**	**2021**	**2022**	**2023**
Net Profit After Tax	30,07,890	39,09,078	44,30,087	52,52,098
Shareholder’s Equity	11687689	16598133	22666178	25561973
Return on Equity	**25.74%**	**23.55%**	**19.54%**	**20.55%**

(Table:8) Net Profit after Tax, equity, and Return on Asset (2020-2023)



(Figure: 8) Return on Equity Graph

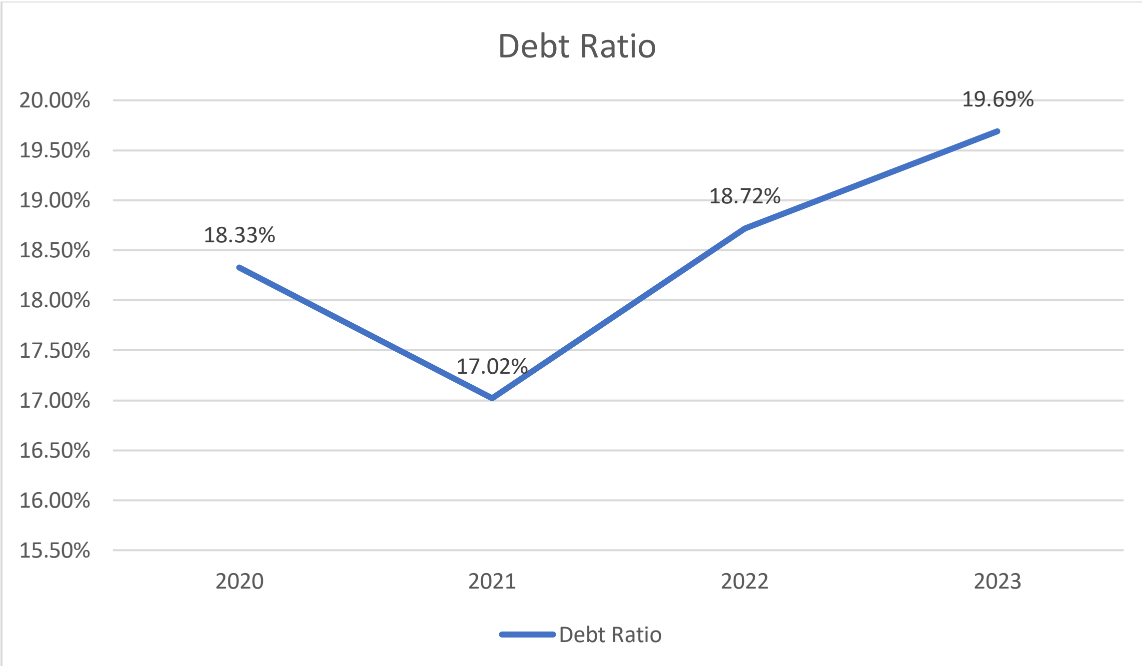
Interpretation:

Joycalls produced roughly 0.2574 in 2020 net profit after taxes for every unit of shareholder equity, according to the ROE of 25.74%. This is a good year-over-year performance that demonstrates how equity is used effectively to generate profits. The ROE dropped to 23.55% in 2021, a modest decrease. The drop, albeit still a respectable return, can indicate that either the company's equity base expanded more quickly than its profit, or that profit growth somewhat trailed equity growth. The ROE is still comparatively high, indicating ongoing efficiency, even with the drop. The ROE continued its downward trajectory, falling to 19.54% in 2022. This would suggest that Joycalls' equity was increasing more quickly than its earnings, or it might suggest that other elements like higher operating expenses or shrinking profit margins had an effect on total profitability. A declining ROE can indicate that the business isn't making the best use of its equity compared to prior years. The ROE improved from 2022 to 2023, recovering little to 20.55% in 2023. This implies that the business was successful in raising profitability in proportion to its expanding equity base. The recovery suggests that management may have taken action to increase productivity or accelerate profit growth, even though it is still below the 2020 peak.

4.4.3. Debt Ratio:

Particulars	**2020**	**2021**	**2022**	**2023**
Total Liabilities	41,34,048	46,97,320	59,64,325	72,05,439
Total Asset	2,25,59,079	2,75,98,133	3,36,66,178	3,85,61,973
Debt Ratio	**18.33%**	**17.02%**	**18.72%**	**19.69%**

(Table:9) Total Liabilities, Total Asset amount and Debt ratio (2020-2023)



(Figure:9) Debt Ratio Graph

Interpretation:

The debt ratio is 18.33% in 2020, which indicates that debt financed 18.33% of the company's assets. This is comparatively moderate, suggesting that the company's debt to equity ratio was appropriate at the time. The debt-to-income ratio dropped somewhat to 17.02% in 2021. An improvement in the company's financial condition or a fall in liabilities in relation to assets is suggested by this reduction, which also shows a decrease in the need for debt financing or an increase in assets. The debt ratio rose to 18.72% in 2022. This increase implies a minor increase in financial leverage, either because the company's asset base did not grow proportionately or because it took on more debt. The debt ratio rose to 19.69% in 2023, indicating a sustained upward trend in debt in relation to assets. This may suggest that Joycalls Bangladesh Ltd. has been depending increasingly on debt funding lately, which, if the pattern persists, could raise questions regarding financial risk.

Chapter 5: Findings, Recommendations and Conclusion

5.1. Findings

1. Liquidity Ratios

Current Ratio: The graph shows that the inventory turnover ratio of Joycalls Bangladesh Ltd fluctuated over the years. It fluctuated from 9.59 to 9.57 in between 2020- 2023. This indicates that firm has fluctuated its efficiency in converting its inventory in sales.

Quick Ratio: The quick ratio of Joycalls Bangladesh Ltd increased from 8.17 to 8.91 in between 2020 to 2023. This indicates that capacity of the firm to meet up short term obligation using its most liquid asset has increased over the years.

2. Activity Ratios

Total Asset Turnover: This graph shows that the total asset turnover of Joycalls Bangladesh Ltd decreased from 1.37 to 1.17 in between (2020-2023). This indicates that efficiency of the firm in using its asset to generate revenue has worsened over the years.

Inventory Turnover Ratio: The graph shows that the inventory turnover ratio of Joycalls Bangladesh Ltd fluctuated over the years. It fluctuated from 6.56 to 10.36 in between (2020-2023). This indicates that firm has increased its efficiency in converting its inventory in sales.

3. Profitability Ratios

Gross Profit Margin: Gross profit margin of Joycalls Bangladesh Ltd fluctuated over the years. It increased from 22.02% to 18.74% in between 2020-2023. So, higher gross profit indicates, the lower relative cost of merchandise sold.

Net Profit Margin: The graph shows that the firm’s net profit margin has fluctuated over the years. However, the net profit margin has decreased from 11.46% to 10.78% in between 2021-2022. This indicates profit against sales has worsened over the years.

4. Solvency Ratios

Return on Assets: ROA of Joycalls Bangladesh Ltd fluctuated over the years. However, ROA has decreased from 14.16% to 13.16% in between 2021-2022, that indicates the company cannot efficiently generate profit with its available assets over the years.

Return on Equity: The graph shows that the Return on Equity (ROE) has decreased from 25.74% in 2020 to 19.54% in 2022 that indicates the company cannot efficiently generate profit with its common stock equity.

Debt Ratio: The graph shows that debt ratio has increased from 18.33% in 2020 to 19.69% in 2023. This indicates that firm increase its financial risk.

5.2. Recommendations

After observing the overall situation of Joycalls Bangladesh Ltd, the following measures are to be suggested:

1. Improve Inventory Management

The Inventory Turnover Ratio has shown fluctuations, which is a mixed signal. While it improved significantly in 2023 (from 6.56 to 10.36), the overall trend highlights inefficiencies in inventory management in prior years. Conduct a detailed review of slow-moving or obsolete inventory and adopt better forecasting tools to align inventory levels with market demand. Implement Just-In-Time (JIT) inventory systems to reduce holding costs and enhance efficiency. Strengthen relationships with suppliers for better lead time management.

2. Enhance Short-term Liquidity Management

The Quick Ratio improvement (from 8.17 to 8.91) is a positive signal, showing the company's increased ability to meet short-term obligations. Maintain this liquidity trend by managing receivables effectively and reducing dependency on inventory for cash flow. Invest excess liquid assets in short-term, low-risk investments to earn additional returns.

3. Increase Asset Utilization Efficiency

The decline in Total Asset Turnover (from 1.37 to 1.17) indicates a reduced efficiency in using assets to generate revenue. Reevaluate underperforming assets and consider divesting or repurposing them to increase revenue generation. Leverage technology and automation to enhance productivity and operational efficiency. Regularly monitor asset performance and optimize their usage through cost-benefit analysis.

4. Focus on Profitability

The Gross Profit Margin decreased from 22.02% to 18.74%, and the Net Profit Margin declined from 11.46% to 10.78%. This suggests increased costs or pressures. Optimize the cost of goods sold (COGS) by negotiating better terms with suppliers or improving production processes. Evaluate pricing strategies to maintain competitive margins while ensuring profitability. Diversify the product portfolio to include higher-margin products or services.

5. Boost Return on Assets (ROA) and Equity (ROE)

ROA declined from 14.16% to 13.16%, and ROE dropped significantly from 25.74% to 19.54%. These declines highlight inefficiencies in generating profit with existing resources. Improve operational efficiency to maximize returns on existing assets. Consider share buybacks or issuing dividends to improve ROE if excess equity capital exists. Expand revenue streams through strategic investments or partnerships.

6. Manage Financial Risk

The increase in the Debt Ratio (from 18.33% to 19.69%) indicates higher reliance on debt, raising financial risk. Maintain a healthy balance between debt and equity to optimize the cost of capital. Prioritize paying down high-interest debt to reduce financial burden. Avoid over-leveraging by funding new projects through retained earnings or equity instead of excessive debt.

7. Monitor and Improve Financial Ratios Regularly

Fluctuations in multiple key ratios (Inventory Turnover, Gross Profit Margin, Net Profit Margin, ROA, and ROE) indicate a lack of stability in financial performance. Regularly review financial ratios to identify trends early and take corrective action promptly. Compare the company's ratios with industry benchmarks to ensure competitive performance. By addressing these areas, Joycalls Bangladesh Ltd can stabilize its financial performance, improve profitability, and ensure sustainable growth in the coming years.

5.3 Conclusion

Joycalls Bangladesh Ltd., a telecommunications company specializing in international voice termination, faces challenges such as strict legal requirements, rapid technical development, competitive pricing, and the rise of OTT services. To maintain its market position, the company must prioritize regulatory compliance with the Bangladesh Telecommunication Regulatory Commission (BTRC), invest in advanced technology like AI-driven fraud detection systems, expand its services beyond standard international call termination, and establish strategic alliances with international carriers. To maintain profitability, Joycalls can streamline cost structures and introduce adaptable pricing strategies. Long-term success and customer loyalty can be achieved by enhancing customer experience, enhancing Quality of Service, and providing exceptional assistance. Cybersecurity and fraud protection are crucial for Joycalls' brand and infrastructure. By focusing on these strategic areas, the company can secure sustained growth in the rapidly changing telecommunications industry.

References

1. Careers (2020) 'Joycalls rewards disabled loyal customer,' The Daily Star, 2 October. https://www.thedailystar.net/bytes/tech-happening/news/joycalls-rewards-disabled-loyal-customer-1971293.
2. “Home: Joy Calls Group.” Joycalls.com, 2024, joycalls.com/. Accessed 10 Oct. 2024. https://joycalls.com/
3. Joycalls (2023) ‘Company profile’, Retrieved 25 Oct 2024.
4. Joycalls (2023) ‘Company guidelines’, Retrieved 20 Oct 2024.
5. Joycalls (2023) ‘Audit Report’, ‘Bangladesh Bank’, Retrieved 30 June 2023.