



Daffodil
International
University

Internship Report On

**Financial Performance Evaluation of Development
Avenue (Pvt) Ltd.**

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Letter of Transmittal

Date:

Ms. Sabrina Akhter
Assistant Professor
Department of Business Administration
Faculty of Business and Entrepreneurship
Daffodil International University

Dear Ms. Sabrina Akhter,

Subject: Submission of Internship Report on Financial Performance Evaluation of Development Avenue (Pvt) Ltd.

I am writing to submit my internship report titled "Financial Performance Evaluation of Development Avenue (Pvt) Ltd." in partial fulfillment of my Bachelor of Business Administration in Finance degree at Daffodil International University. This report concludes an in-depth examination of the financial records of Development Avenue (Pvt) Ltd. Through extensive analysis and research, I aimed to assess the company's financial performance and provide insights into its operations and profitability.

I express my sincere gratitude to you for your invaluable guidance and advice throughout the completion of this report. Your expertise has been instrumental in shaping my understanding of financial analysis and refining the content of this research.

Yours sincerely,

Amirul

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Declaration

I, Amirul Islam, ID: 201-11-1024, hereby sincerely attest that the internship report I turned in to Daffodil International University, titled "Financial Performance Evaluation of Development Avenue (Pvt) Ltd.", satisfies the requirements for my Bachelor of Business Administration degree and is an accurate reflection of my work. I further declare that the study done for this report was based only on real facts and information from reliable sources, such as financial records, respectable journals, and vetted internet databases. This report has never been turned in before for a professional or academic credential. I am fully aware that any breach of academic integrity, including but not limited to data falsification or plagiarism, could result in harsh disciplinary action in accordance with Daffodil International University's standards.

Amirul

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Supervisor's Certificate

This is to certify that I, Ms. Sabrina Akhter, Assistant Professor, have supervised the internship report titled "Financial Performance Evaluation of Development Avenue (Pvt) Ltd." submitted by Amirul Islam, ID: 201-11-1024 in partial fulfillment of the requirements for the Bachelor of Business Administration in Finance degree at Daffodil International University. Throughout the duration of internship he was under my guidance, feedback, and assistance to ensure the completion of a comprehensive and accurate analysis of Development Avenue (Pvt) Ltd.'s financial performance. Based on my assessment, the conclusions and recommendations presented in this report reflect Amirul Islam's independent analysis and critical thinking skills. The insights provided contribute valuable perspectives to the field of financial analysis.



Ms. Sabrina Akhter
Assistant Professor
Department of Business Administration
Faculty of Business and Entrepreneurship
Daffodil International University

Acknowledgement

I extend my profound gratitude to Assistant Professor Ms. Sabrina Akhter, Department of Business Administration at Daffodil International University. Her invaluable guidance, support, and encouragement have played a pivotal role in shaping the content and enhancing the quality of this research. I am truly grateful for her expertise, constructive feedback, and unwavering commitment.

I am equally indebted to the management and staff of Development Avenue (Pvt) Ltd. for their cooperation and willingness to provide access to the essential financial data and information required for the analysis.

Additionally, I extend my appreciation to my colleagues and friends for their assistance, insightful discussions, and moral support throughout this internship and report writing process.

Lastly, I express my heartfelt gratitude to my family for their unwavering encouragement, understanding, and patience during my academic journey.

Executive Summary

This report provides a comprehensive overview of the financial performance evaluation conducted on Development Avenue (Pvt) Ltd., a prominent player in the real estate industry. The analysis aimed to assess the company's financial health, operational efficiency, and overall performance over the past fiscal year. Development Avenue (Pvt) Ltd.'s financial health was evaluated through a thorough examination of its profitability, liquidity, solvency and efficiency ratios. The company exhibited a healthy level of profitability, with consistent growth in net income and a favorable return on investment.

The evaluation of Development Avenue (Pvt) Ltd.'s operational efficiency focused on key performance indicators such as revenue growth, cost management, and asset utilization. Despite facing competitive pressures and market uncertainties, the company demonstrated commendable revenue growth driven by successful project developments and sales.

The analysis identified several strengths and opportunities for Development Avenue (Pvt) Ltd. to capitalize on its financial performance and drive sustainable growth. The company's strong brand reputation, diversified project portfolio, and strategic market positioning were recognized as key strengths contributing to its competitive advantage.

Despite its strengths, Development Avenue (Pvt) Ltd. faces certain weaknesses and threats that warrant attention and proactive management. Challenges related to liquidity constraints, dependence on external financing, and regulatory compliance was identified as potential areas of vulnerability.

Based on the findings of the financial performance evaluation, several recommendations are proposed to enhance Development Avenue (Pvt) Ltd.'s financial health and operational effectiveness, Improve liquidity management by implementing robust cash flow forecasting mechanisms and exploring alternative financing options. Enhance cost efficiency through continuous monitoring and optimization of operational expenses. Diversify revenue streams by expanding into new geographic markets and exploring opportunities in complementary business segments.

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Chapter One

Introduction of The Report

1.1 Introduction

In the fast-paced world of real estate development, evaluating financial success is like having a guide that points people in the right direction for making smart decisions and long-term growth plans. This report looks at Development Avenue (Pvt) Ltd.'s financial performance. The company is a big name in the real estate business and is known for its new projects and constant dedication to quality. Development Avenue (Pvt) Ltd. has made a niche for itself in the industry, employing a mix of visionary leadership, strategic foresight, and practical prowess to offer exceptional value to its clients. The company has impacted cities by transforming skylines and redefining what it means to live in the modern world through a wide range of residential, industrial, and mixed-use projects.

The real estate market is very complicated, so investors, analysts, and other players need to understand and analyze Development Avenue (Pvt) Ltd.'s financial success. This review aims to give a full picture of the company's financial health by looking closely at key measures and trends that show how profitable, liquid, efficient, and well-run the business is overall.

This review is more than just a bunch of numbers; it's a compass that helps people make smart decisions by letting them see how resilient the company is, where growth possibilities exist, and how to best reduce risks. By figuring out how Development Avenue makes money, stakeholders can learn a lot about the company's long-term health, competitive standing, and efforts to be more environmentally friendly.

This analysis method carefully looks at and makes sense of financial data to show how well Development Avenue (Pvt) Ltd. can handle unclear market conditions, take advantage of new trends, and give long-term value to its owners. It also aims to give the company practical suggestions to strengthen its financial base, encourage growth, and boost stakeholder trust in a business world that is always changing. Starting this process of evaluating Development Avenue (Pvt) Ltd.'s financial performance, all stakeholders of the company can learn more about the company's financial story. By doing so, it will be clear the story behind the numbers and plan a path to long-term prosperity, resilience, and success in the field of real estate development.

1.2 Background of the Study

One essential step for graduate students studying Business Studies is to take part in an internship program. It helps the application of classroom knowledge to practical circumstances. I completed an internship at Development Avenue (Pvt) Ltd, where my main responsibility was to analyze the financial performance of the company. Under the direction and supervision of my supervisor, Assistant Professor Ms. Sabrina Akhter, I investigated the financial functioning of the Development Avenue (Pvt) Ltd. I choose this subject because I wanted to learn how the company is maintaining its financial operation and figure out how to improve it. My internship report aims to provide recommendations for enhancing Development Avenue (Pvt) Ltd's real estate market based on my analysis's findings.

1.3 Scope of the Study

This study is based on different of sources of data, including directly acquired data and records that already in existence, particularly those from the Development Avenue (Pvt) Ltd.'s past financial records. I gained a lot of knowledge about how Development Avenue (Pvt) Ltd. manage their finances, assign tasks and operate as a workplace during my two-month internship there. With this knowledge, I will be able to collect additional data for my research. This study's primary objective is to gain a comprehensive understanding of the current financial situation and issues facing by Development Avenue (Pvt) Ltd. By examining its current state and the obstacles it faces, this study seeks to establish the foundation for further research in this area.

1.4 Objectives of the Study

Broad objective:

The Broad objective of this report is to measure the financial performance of Development Avenue (Pvt) Ltd.

Specific objectives of the report:

- a) To analyze key financial metrics such as revenue, profitability, liquidity, leverage, and efficiency ratios of the company.
- b) To examine financial trends of Development Avenue (Pvt) Ltd. using historical data.
- c) To provide recommendations based on the analysis to enhance the overall performance of Development Avenue (Pvt) Ltd.

1.5 Methodology of the Study

Study Type: An exploratory framework is utilized to integrate qualitative and quantitative approaches in an all-encompassing manner.

Data collection: Structured and careful examination of Development Avenue (Pvt) Ltd.'s financial accounts is the key sources from which information is systematically obtained. The main data is added by secondary sources, such as abstract publications and industry reports.

Financial Analysis: A thorough review of the income statements, balance sheets and cash flow statements of certain analysis are conducted. Important financial ratios such as profitability (ROA, ROE), liquidity (current, quick), leverage (debt-to-equity), and efficiency (asset turnover ratio) are calculated as part of this research.

Trend Analysis: To identify trends and patterns in the financial performance of the Development Avenue (Pvt) Ltd., the research performs an extensive examination of financial data over an extended period of time. It closely examines changes in important financial indicators and how they affect the general stability and well-being of the sector.

Interpretation: This research analyzes its findings to draw relevant assumptions about the financial position, upcoming trends and underlying variables driving performance within Development Avenue (Pvt) Ltd. It does this by drawing on the financial analysis and comparative study. This process of interpretation reveals information about the financial health of the company and the forces influencing its future, which advances our knowledge of its workings and possible areas for improvement.

1.6 Limitations of the Study

- a) The study's timeframe is limited by the availability of past financial data and the length of the internship term.
- b) The accuracy of financial data received from secondary sources only relies on the company's financial report.
- c) The study's results are affected by the size and makeup of the size of the company.
- d) The evaluation of financial data and trend analysis are based on only the observed results of the study.
- e) External factors beyond the scope of the study such as macroeconomic conditions, industry rules and market sentiment may affect the financial success.

Chapter Two

Organizational History

2.1 Organizational History of Development Avenue (Pvt) Ltd.

Development Avenue (Pvt) Ltd. is a recognized real estate development company in Bangladesh, known for its innovative projects, dedication to excellence, and impact on the nation's urban landscape. From its inception, the company has prioritized quality and client happiness, quickly establishing itself as an important player in the real estate sector. By undertaking diverse tasks across major cities in Bangladesh, the group has grown its portfolio greatly. Employing cutting-edge methods in architectural design and construction, Development Avenue (Pvt) Ltd. builds environments that smoothly mix aesthetics with usefulness.

Emphasizing sustainability as a core aspect of its corporate social duty, the company blends eco-friendly practices and technological advancements to minimize carbon impact and support sustainable urban development. Over the years, Development Avenue (Pvt) Ltd. has earned numerous awards and honors for its services to the real estate industry, underscoring its commitment to quality, innovation, and client satisfaction. Upholding values of integrity, professionalism, and customer-centricity, the company stays dedicated to growth and adaptation. Drawing on its knowledge and experience, Development Avenue (Pvt) Ltd. seeks to drive innovation and improve standards within the real estate sector, adding to the long-term development of Bangladesh's urban setting.

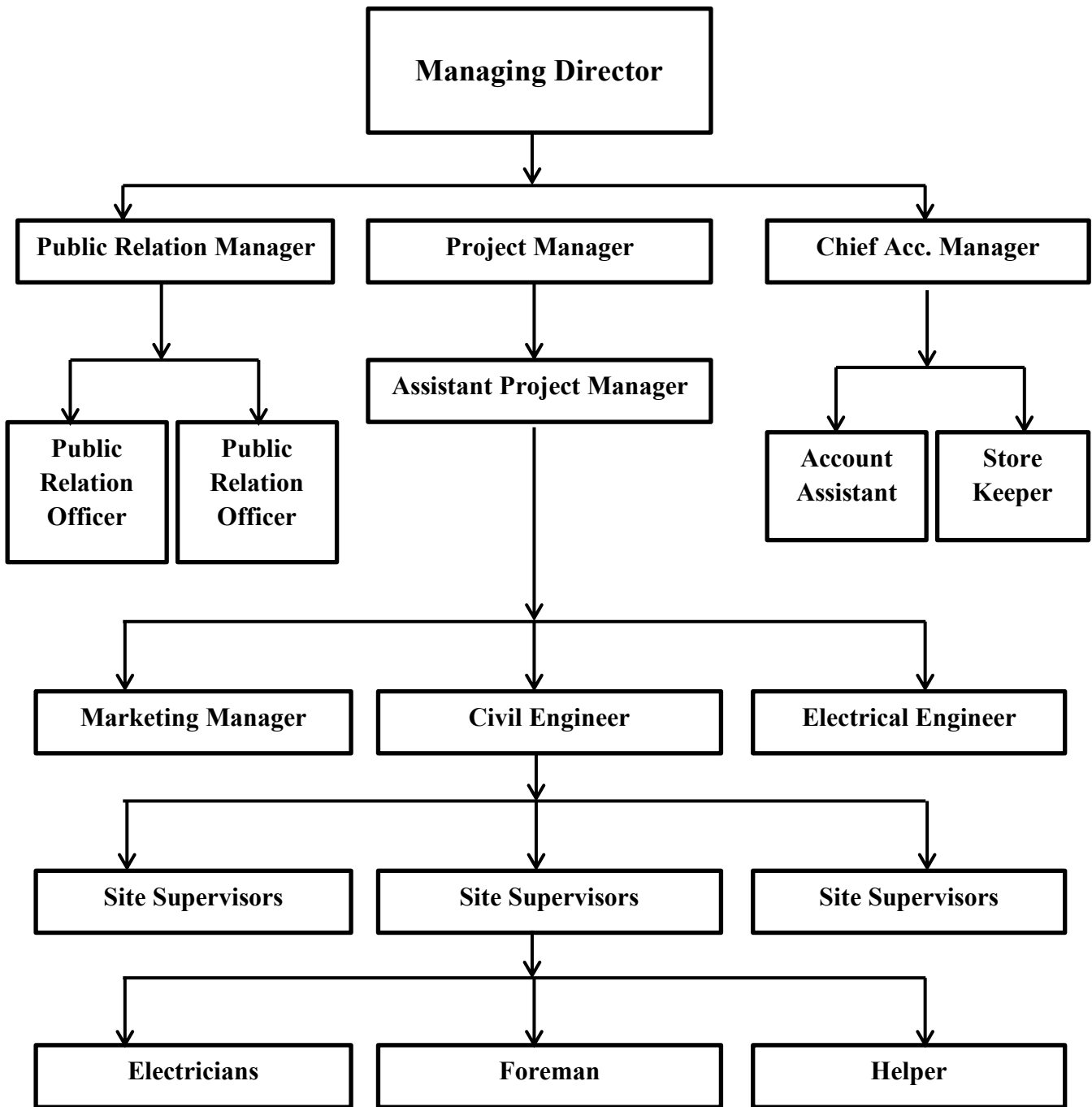
2.1.1 Vision

Development Avenue (Pvt) Ltd. was founded with a vision to redefine the real estate sector in Bangladesh. From its inception, the company focused on delivering high-quality residential, commercial, and mixed-use projects that catered to the evolving needs of urban dwellers.

2.1.2 Mission

Development Avenue (Pvt) Ltd. is consistently demonstrating its commitment to innovation and excellence in its projects to achieve the leading position among its competitors.

2.1.3 Organizational Hierarchy



2.1.4 Company at a Glance

Development Avenue (Pvt.) Ltd.	
Type of Company	Private Limited
REHAB Membership No.	1209/2012
Year of Inception/Company Incorporation Date	2008
REPRESENTATIVE	
Name	Md. Ataur Rahman
Designation	Managing Director
Business Address	House # B-116-118, Mofiz Plaza (2nd Floor), Shabhabag Road, bazar Bus Stand Saver, Dhaka
Phone	+88-02-7742733
E-mail	developmentavenue@gmail.com
Website Address	http://www.avenuedaplbd.com

2.2 Products

Development Avenue (Pvt) Ltd., a famous real estate development business in Bangladesh, offers a complete range of products tailored to meet the diverse wants of its customers. Here are the descriptions of some of its key products:

Residential Apartments:

Development Avenue builds residential apartment buildings in prime spots across urban areas in Bangladesh. These apartments are built to suit different household sizes and living preferences, giving options ranging from cozy studios to spacious multi-bedroom units. Each apartment is created with careful attention to detail, featuring modern amenities, stylish interiors, and useful plans to ensure comfort and ease for residents. Amenities may include green parks, exercise centers, swimming pools, community buildings, and children's play areas, improving the general quality of life for residents.

Commercial Spaces:

Development Avenue creates commercial properties suited to the needs of companies, entrepreneurs, and retailers. These commercial spaces include office buildings, retail outlets, showrooms, and commercial complexes carefully placed in high-traffic areas and business districts. Designed to promote productivity and efficiency, these places boast modern infrastructure, adjustable layouts, and state-of-the-art tools to support various business operations.

Mixed-Use Developments:

Development Avenue specializes in mixed-use developments that combine residential, business, and leisure components in a single building. These projects offer a lively and self-contained living environment, with a mix of residential units, market areas, offices, and leisure facilities within the same complex. Residents benefit from the ease of having shopping stores, eating choices, and recreational features just steps away from their homes, promoting a sense of community and connection.

Luxury Villas and Townhouses:

Catering to the sophisticated tastes of high-end buyers, Development Avenue offers luxury villas and townhouses in exclusive gated communities. These properties exemplify luxury and grace, having roomy layouts, premium finishes, and bespoke design elements. Residents enjoy a luxurious lifestyle complemented by features such as private gardens, swimming pools, clubhouses, and concierge services, giving a haven of indulgence and peace.

Affordable Housing Initiatives:

In line with its commitment to social duty, Development Avenue performs affordable housing projects aimed at giving quality housing options to low and middle-income families. These efforts focus on affordability without compromising on quality, giving well-designed apartments with necessary features at low prices. By making homeownership more available, Development Avenue adds to inclusive urban development and the enhancement of living standards for neglected areas.

2.3 Company Culture

From project development to customer service, Development Avenue (Pvt) Ltd. is committed to providing quality in all facets of its business operations. In order to surpass client expectations and create industry standards, the organization aspires to perfection in design, construction, and service delivery. The organization ensures fairness and integrity in all of its interactions with stakeholders, such as clients, partners, and staff, by doing business with honesty, openness, and ethical values. The core values of Development Avenue are centered on client satisfaction. The organization is dedicated to comprehending and fulfilling the requirements of its clients, working to complete projects that surpass their expectations and improve their quality of life. We appreciate customer input and utilize it to keep improving our goods and services.

Chapter Three

Theoretical Background

3.1 Theory of Ratio Analysis

Financial ratios such as profitability ratios (ROA, ROE), liquidity ratios (current ratio, quick ratio), leverage ratios (debt-to-equity ratio), and efficiency ratios (asset turnover ratio) are used in this report.

3.1.1 Profitability ratios

ROA: Return on assets (ROA) is a common financial ratio that assesses a company's profitability relative to its total assets, indicating how effectively the company utilizes its resources to generate earnings. The formula for calculating Return on Assets is given below:

$$\text{ROA: } \frac{\textit{Net Profit}}{\textit{Total Assets}}$$

A higher ROA suggests that the business is more efficient at making profits compared to the size of its asset base, while a lower ROA shows less efficiency.

ROE: Return on equity (ROE) is a financial ratio that calculates an organization's profitability and efficiency in earning returns for its owners' equity. It shows the net income as a portion of the owner's equity. The formula for getting ROE is as follows:

$$\text{ROE: } \frac{\textit{Net Profit}}{\textit{Equity}}$$

A higher ROE shows that the company is making more profits compared to the owners' wealth, which is usually considered positive.

3.1.2 Liquidity ratios

Current ratio: The ability to meet short-term commitments and a company's liquidity are calculated by using a financial ratio known as the current ratio. Current bills and assets are linked with each other. The following method is used to calculate the current ratio:

$$\text{Current ratio: } \frac{\textit{Current Assets}}{\textit{Current Liabilities}}$$

A current ratio greater than 1 shows that a business has more current assets than current liabilities and ratio less than 1 may indicate liquidity concerns.

Quick ratio: The Quick Ratio (Acid-Test Ratio) is a financial measure applied to assess an organization's capacity to settle its short-term bills without quickly using inventory. This measure of liquidity is more cautious than the current ratio. The method to determine the Quick Ratio:

$$\text{Quick ratio: } \frac{\textit{Current Assets} - \textit{Inventory}}{\textit{Current Liabilities}}$$

A quick ratio greater than 1 show that a business has enough liquid assets to cover its short-term liabilities and ratio less than 1 may suggest possible liquidity issues.

3.1.3 Leverage ratio

Debt-to-equity ratio: The debt-to-equity is a financial ratio that indicates the proportion of a company's debt amount concerning its owners' equity. Debt-to-equity ratio provides insights into the balance between borrowed funds and shareholders' investments. The formula for the debt-to-equity ratio is as follows:

$$\text{Debt-to-equity ratio: } \frac{\textit{Total Debt}}{\textit{Shareholders' Equity}}$$

A higher debt-to-equity ratio indicates that a business depends more on debt financing to fund its operations and growth and a lower ratio shows that it depends more on equity financing.

3.1.4 Efficiency ratio

Asset turnover ratio: The Asset Turnover Ratio helps to calculate how well an organization generates cash from its assets. Asset Turnover Ratio shows how successfully an organization uses its assets to generate higher sales. The formula to measure the Asset Turnover Ratio is as follows:

$$\text{Asset turnover ratio: } \frac{\text{Net Sales}}{\text{Average Total Assets}}$$

A higher asset turnover ratio shows that the business has generated more sales revenue per unit of assets and a lower ratio may indicate difficulties or inadequate utilization of assets in generating sales.

3.2 Trend Analysis

Trend analysis is a basis of financial and statistical research that includes studying data over time to detect patterns, movements and tendencies. Its main principle is built in the evidence that past data retains predictive value, delivering significant insights into future occurrences. By recognizing trend patterns to forecast future events and make educated judgments. The interpretation of trend analysis results takes careful examination, incorporating aspects like outliers, data quality, and developing market dynamics. While trend analysis supplies useful insights, its efficacy is tempered by inherent constraints and hazards, requiring analysts to apply care and judgment. Overall, the broad framework of trend analysis underlines the necessity of harnessing historical data to traverse uncertainties, anticipate future trends, and drive strategic decision-making across varied disciplines.

Chapter Four

Financial Analysis

4.1 Financial Data

Amount in million (TK)

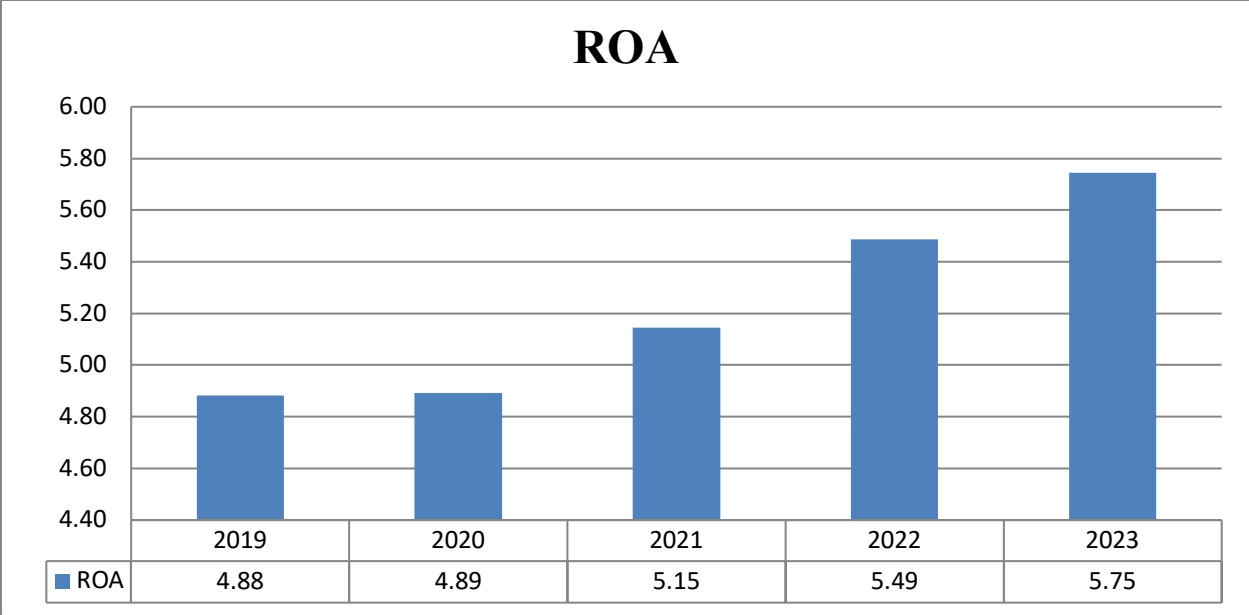
Year	2019	2020	2021	2022	2023
Net Profit	489	538	556	569	588
Total Assets	1823	1860	1885	1877	1932
Equity	1178	1284	1409	1438	1490
Current Assets	657	734	756	807	889
Current Liabilities	612	698	734	799	834
Total Debt	345	434	467	489	492
Inventory	12	14	15	15	18
Net Sales	745	789	843	887	923
Average Total Assets	1789	1842	1873	1881	1905

4.2 Ratio Analysis

4.2.1 Profitability ratios

Return on Asset:

Year	2019	2020	2021	2022	2023
Net Profit	89	91	97	103	111
Total Assets	1823	1860	1885	1877	1932
ROA	4.88 %	4.89 %	5.15 %	5.49 %	5.75 %

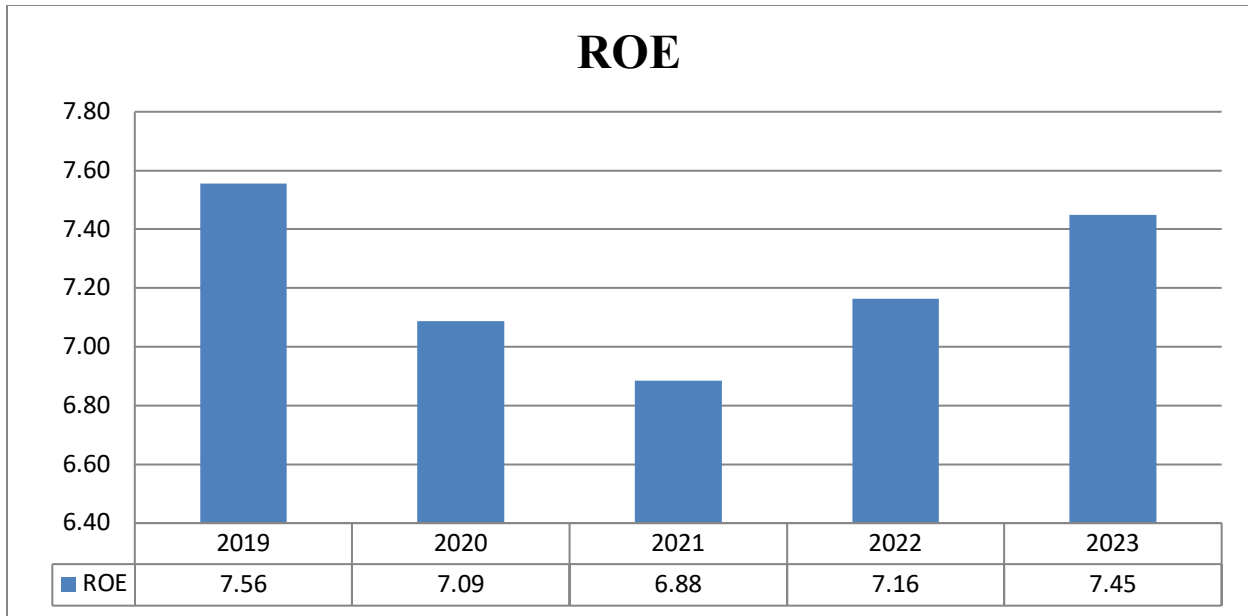


Interpretation:

Over the past five years, the company has demonstrated consistent growth in both net profit and total assets, indicating a positive financial trend. Although there was a slight decline in total assets in 2022, the company rebounded with a significant increase in 2023. Most notably, the Return on Assets (ROA) steadily increased from 4.88% in 2019 to 5.75% in 2023, indicating an improved ability to generate profits relative to its asset base. This suggests effective resource utilization and enhanced operational efficiency, which reflects favorably on the company's financial performance and management strategies throughout the period.

Return on Equity:

Year	2019	2020	2021	2022	2023
Net Profit	89	91	97	103	111
Equity	1178	1284	1409	1438	1490
ROE	7.56 %	7.09 %	6.88 %	7.16 %	7.45 %

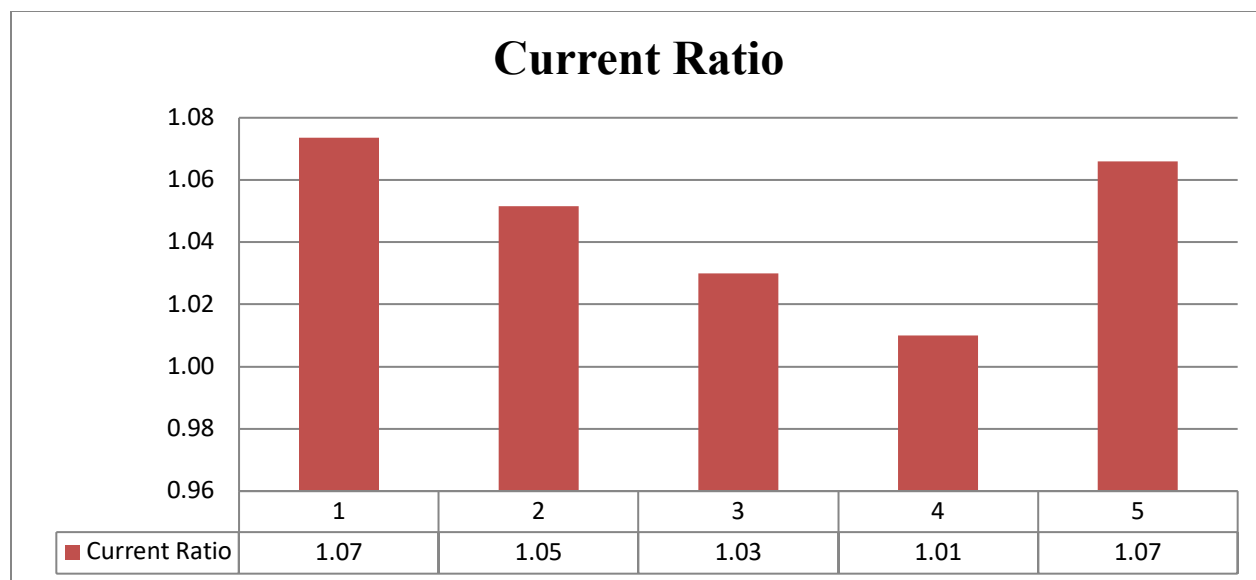


Interpretation: During the observed five-year period, the company exhibited consistent growth in both net profit and equity, indicating a positive financial trend. Despite fluctuations in net profit and equity, the Return on Equity (ROE) remained relatively steady, ranging from 6.88% to 7.56%. This demonstrates the company's efficient profit generation relative to shareholder equity. The slight uptick in ROE from 2019 to 2023 indicates improved profitability in relation to shareholder investment, underscoring the company's financial success and management effectiveness over the period.

4.2.2 Liquidity ratios

Current ratio:

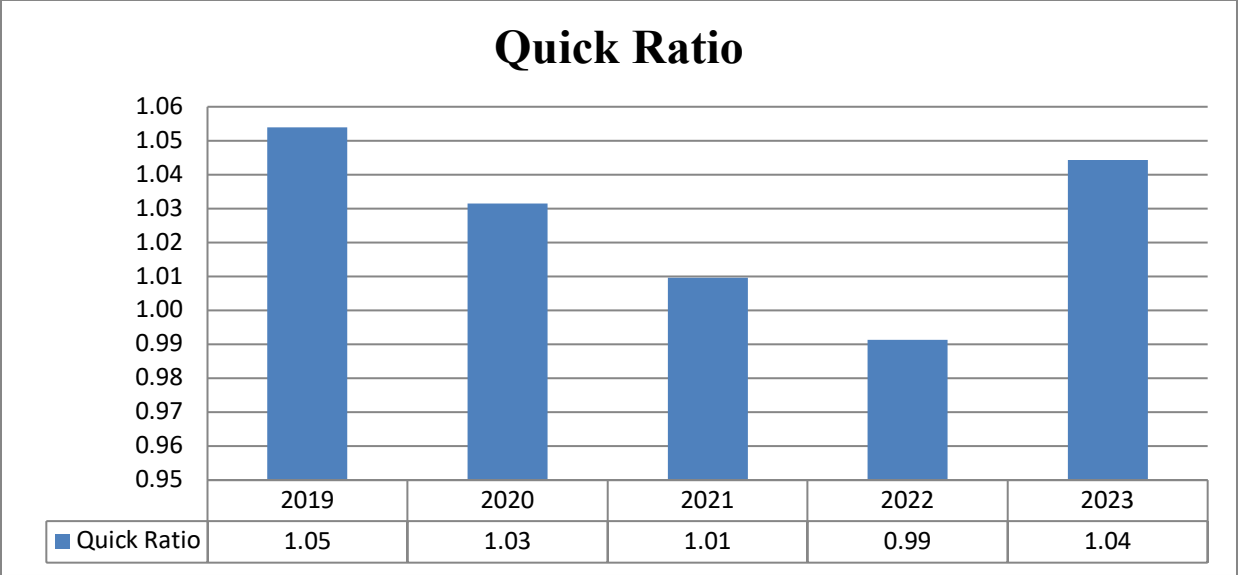
Year	2019	2020	2021	2022	2023
Current Assets	657	734	756	807	889
Current Liabilities	612	698	734	799	834
Current Ratio	1.07	1.05	1.03	1.01	1.07



Interpretation: Over the five-year period, the company witnessed growth in both current assets and current liabilities, indicating an expansion in its operational activities. Despite this increase, the current ratio fluctuated between 1.01 and 1.07, indicating a relatively stable liquidity position. A current ratio above 1 signifies that the company possesses sufficient current assets to cover its current liabilities, typically viewed as favorable. However, the minimal variations in the current ratio suggest a potential need for more effective management of short-term obligations. While the company maintains a generally healthy cash position, it may require attention to ensure optimal handling of current assets and liabilities for sustained financial stability.

Quick ratio:

Year	2019	2020	2021	2022	2023
Current Assets (-) Inventory	645	720	741	792	871
Current Liabilities	612	698	734	799	834
Quick Ratio	1.05	1.03	1.01	0.99	1.04

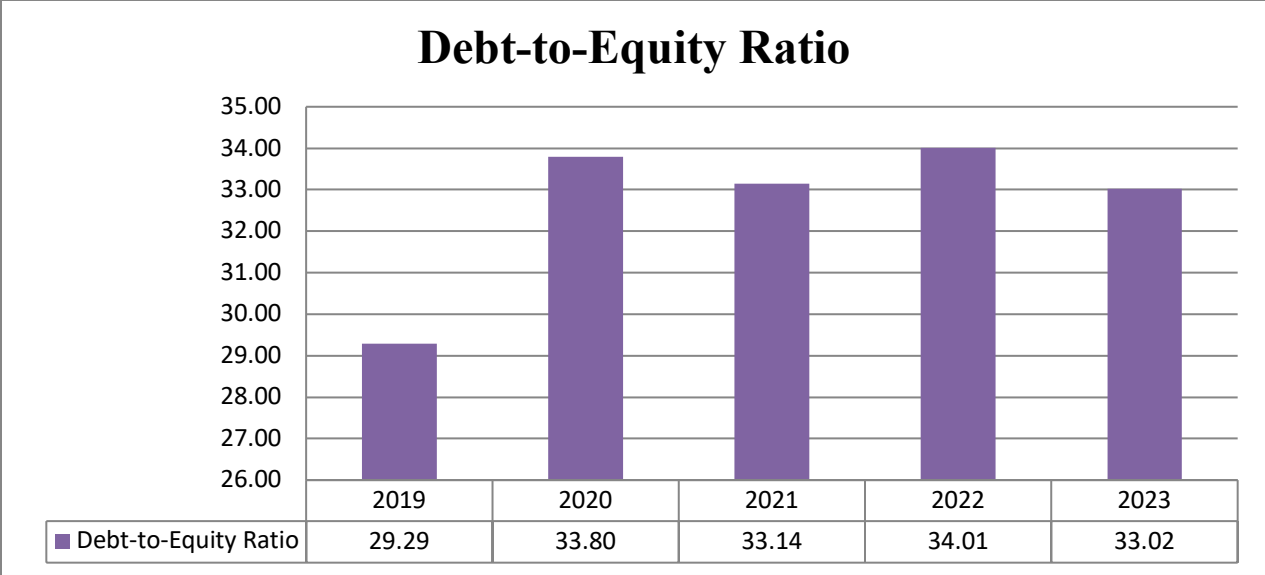


Interpretation: Over the five-year period, the company showed a steady rise in current assets, excluding inventory, showing an enhancement in liquidity beyond inventory stocks. However, the quick ratio, which measures the company's ability to meet short-term obligations without depending on inventory sales, varied between 0.99 and 1.05. Although usually exceeding 1, showing the ability to settle present liabilities with the most liquid assets, the fluctuations suggest different levels of liquidity. It may be wise to stabilize the quick ratio, possibly by handling inventory levels more efficiently or improving receivables collection. While keeping a usually favorable cash situation, adopting methods to rectify the quick ratio could add to enhanced financial stability.

4.2.3 Leverage ratio

Debt-to-equity ratio:

Year	2019	2020	2021	2022	2023
Total Debt	345	434	467	489	492
Equity	1178	1284	1409	1438	1490
Debt-to-Equity Ratio	29.29 %	33.80 %	33.14 %	34.01 %	33.02 %

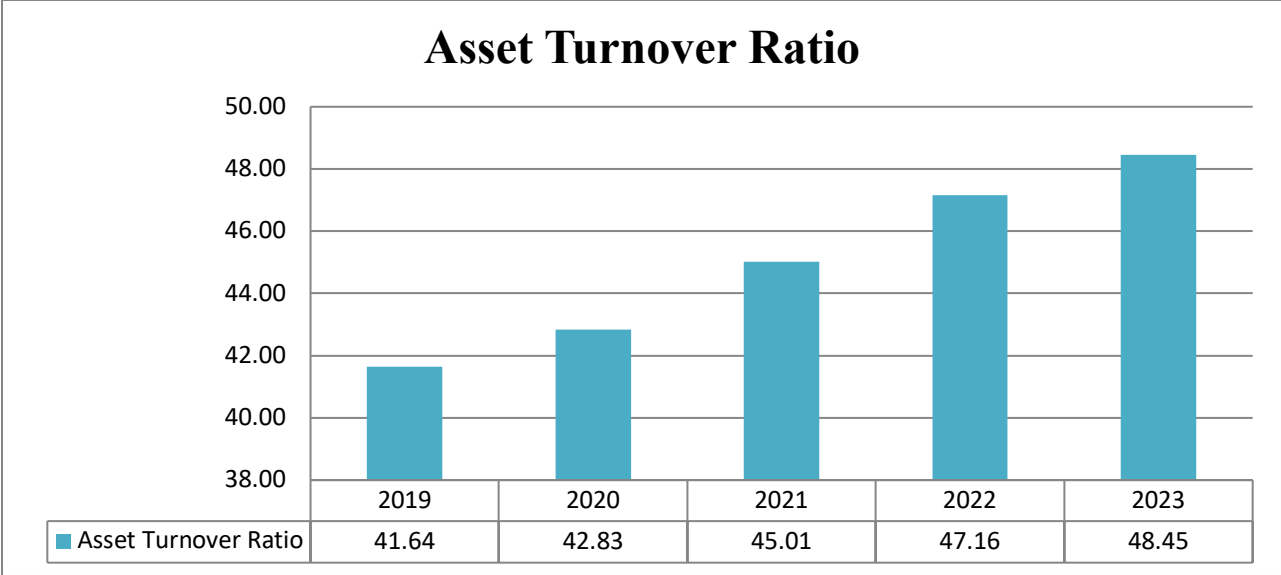


Interpretation: Over the five years, the company witnessed a slight increase in total debt alongside growth in equity. Despite this increase in debt, the Debt-to-Equity ratio stayed relatively stable, fluctuating between 29.29% and 34.01%. This shows that the business has been financing its operations through a mix of loans and equity in a well-balanced way. The consistent ratio shows that the company has handled its debt levels about its equity, avoiding excessive reliance on debt for funds. This balanced capital structure shows prudent financial management, ensuring a healthy blend of loans and stock to support the company's growth and financial security.

4.2.4 Efficiency ratio

Asset turnover ratio:

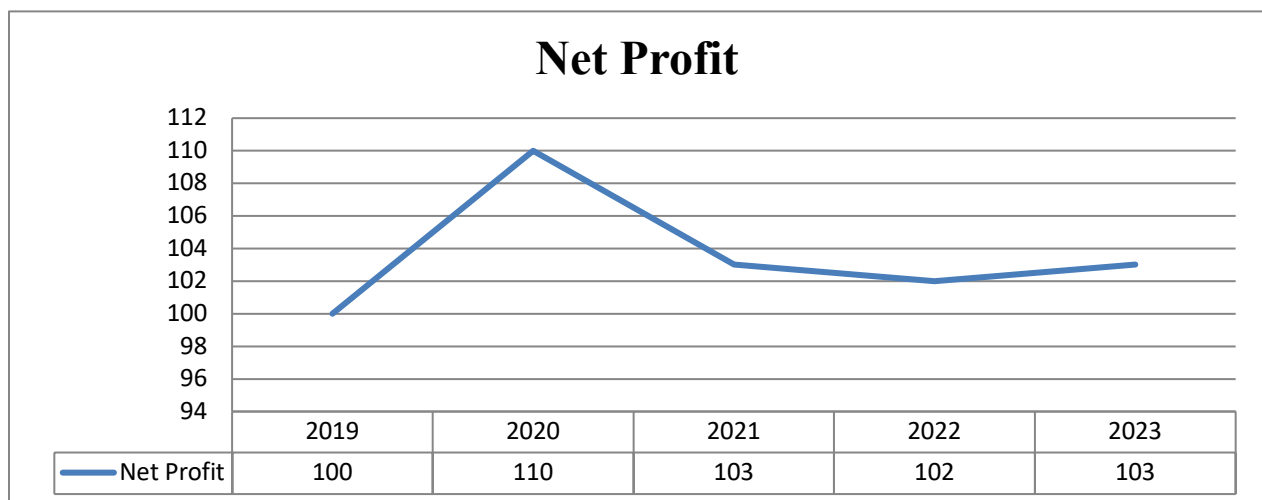
Year	2019	2020	2021	2022	2023
Net Sales	745	789	843	887	923
Average Total Assets	1789	1842	1873	1881	1905
Asset Turnover Ratio	41.64 %	42.83 %	45.01 %	47.16 %	48.45 %



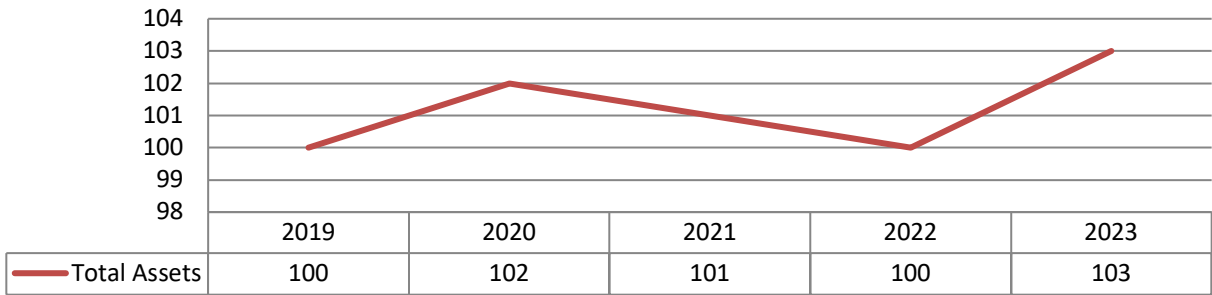
Interpretation: Over the five years, the business experienced stable growth in net sales alongside a steady increase in average total assets. Therefore, there was an increase in the Asset Turnover Ratio, which went from 41.64% in 2019 to 48.45% in 2023. This escalating ratio indicates that the business has improved its efficiency in creating sales compared to its asset base over time. It suggests enhanced asset utilization and operating efficiency, showing effective management in maximizing revenue from asset purchases. Overall, the rising Asset Turnover Ratio reflects positively on the company's business success and shows its ability to leverage assets effectively to drive sales growth.

4.3 Trend Analysis

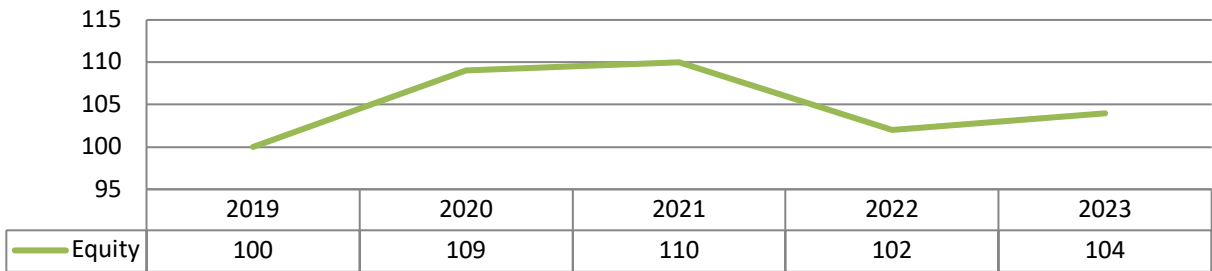
Year	2019		2020		2021		2022		2023	
Net Profit	489	100	538	110	556	103	569	102	588	103
Total Assets	1823	100	1860	102	1885	101	1877	100	1932	103
Equity	1178	100	1284	109	1409	110	1438	102	1490	104
Current Assets	657	100	734	112	756	103	807	107	889	110
Current Liabilities	612	100	698	114	734	105	799	109	834	104
Total Debt	345	100	434	126	467	108	489	105	492	101
Inventory	12	100	14	117	15	107	15	100	18	120
Net Sales	745	100	789	106	843	107	887	105	923	104
Average Total Assets	1789	100	1842	103	1873	102	1881	100	1905	101



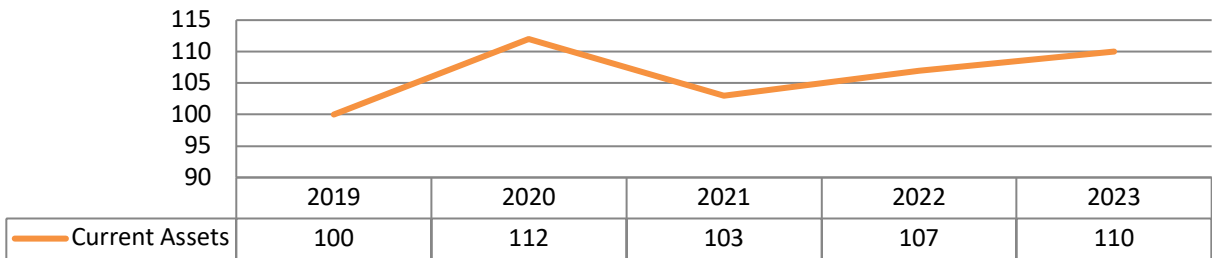
Total Assets



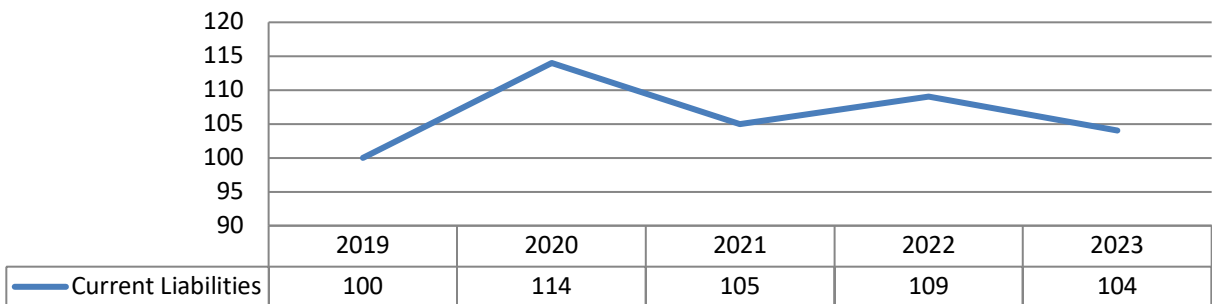
Equity



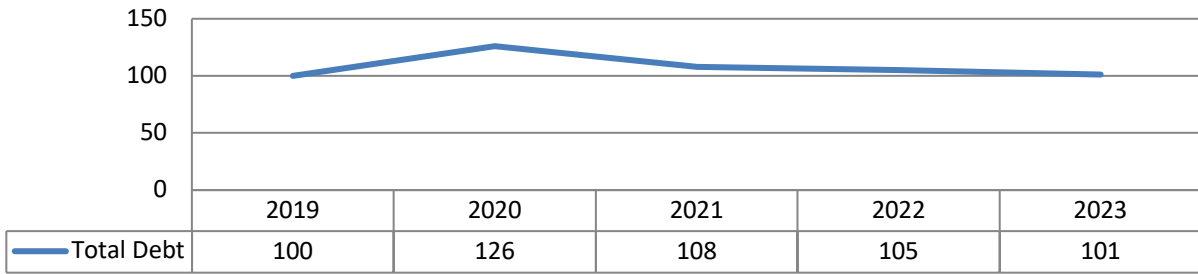
Current Assets



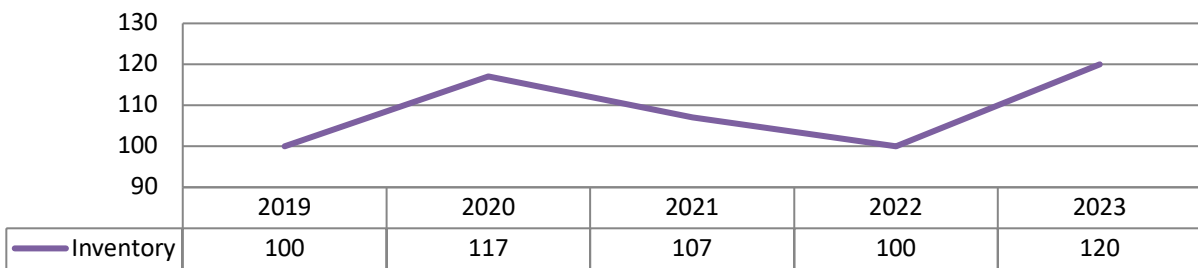
Current Liabilities



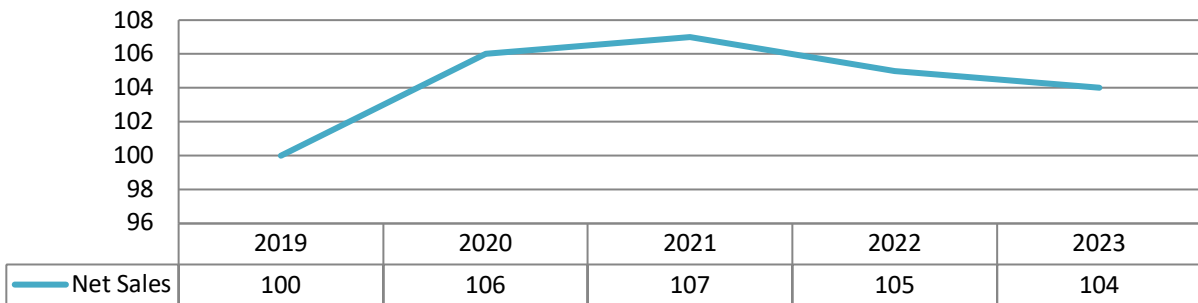
Total Debt



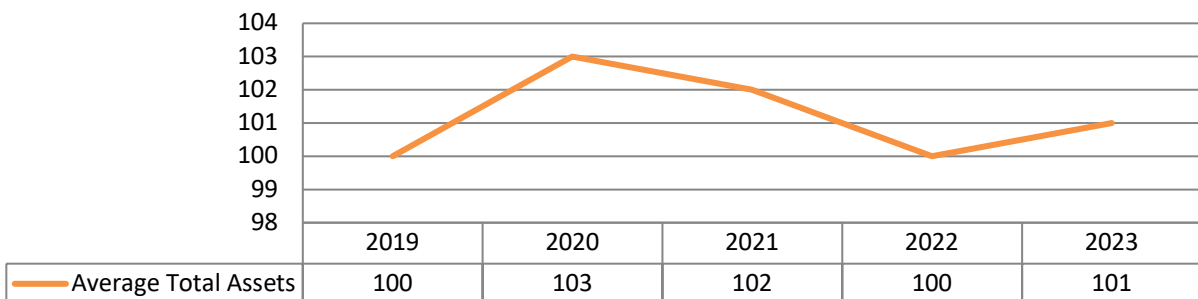
Inventory



Net Sales



Average Total Assets



Interpretation:

- a) **Net Profit:** The net profit of the company varied over the five years, with an initial drop in 2020 followed by a steady gain in subsequent years. Despite some variations, there seems to be an overall upward trend in net profit, showing better profitability over time.
- b) **Total Assets:** Total assets also showed growth from 2019 to 2023, showing expansion and investment in business resources. Although there was a small decline in 2022, overall, the trend shows an upward trajectory in wealth accumulation.
- c) **Equity:** Equity experienced steady growth throughout the time, showing the company's greater ownership stake and financial stability. The constant rise in equity shows good changes in shareholder investment and business value.
- d) **Current Assets and Current Liabilities:** Both current assets and current liabilities grew over the years, with current assets showing a more significant growth rate. This suggests better liquidity and the ability to cover short-term responsibilities, although current liabilities also grew, showing greater financial commitments.
- e) **Total Debt:** Total debt showed an upward trend from 2019 to 2021, followed by a small drop in 2022 and 2023. Despite fluctuations, the general trend shows a rise in borrowing, possibly to support growth or investment activities.
- f) **Inventory:** Inventory levels increased gradually over time, suggesting potential growth in production or sales activities needing inventory stocking.
- g) **Net Sales:** Net sales grew steadily over the five years, showing growing revenue generation and sales success. The consistent rise in net sales shows the company's ability to expand its market presence and take a bigger share of the market.
- h) **Average Total Assets:** The average total assets also showed an upward trend, suggesting sustained investment in business resources and potential growth possibilities.

Chapter Five

Findings, Recommendations and Conclusion

5.1 Major Findings

Ratio Analysis:

- a) ROA increased from 4.88% in 2019 to 5.75% in 2023, indicating enhanced efficiency and resource utilization.
- b) ROE ranging from 6.88% in 2019 to 7.56% in 2023, indicating efficient profit generation relative to shareholder equity and reflecting positive financial management and success.
- c) Current and quick ratios showed near 1 value, indicating sufficient liquidity, though with potential for improved short-term obligation management for sustained financial stability.
- d) Debt-to-Equity ratio between 29.29% in 2019 and 34.01% in 2023, indicating balanced financing and prudent financial management for sustained growth and security.
- e) Asset Turnover Ratio from 41.64% in 2019 to 48.45% in 2023, showcasing better asset utilization and operational efficiency for enhanced sales growth and operational success.

Trend Analysis:

- a) The company demonstrated an overall upward trend in net profit over the five-year period, indicating improved profitability and financial performance over time.
- b) Consistent growth in total assets reflects the company's strategic expansion and investment in business resources, underscoring its commitment to long-term growth.
- c) Steady growth in equity highlights the company's increasing ownership stake and financial strength, instilling confidence in shareholders.
- d) The notable growth in current assets, outpacing the increase in current liabilities, suggests enhanced liquidity and the company's ability to meet short-term obligations effectively.
- e) The steady increase in net sales underscores the company's robust revenue generation and market success, indicating effective sales strategies and strong customer demand.

5.2 Recommendations

Based on the findings from the ratio analysis and trend analysis, here are some possible recommendations for the company:

- a) The company should focus on process optimization, employee empowerment and technology integration to improve efficiency and resource utilization.
- b) The company should optimizing revenue streams, reducing costs and implementing efficient capital allocation to boost profitability relative to shareholder equity.
- c) There is potential for improved management of short-term obligations as the company has good current and quick ratio output.
- d) Maintain a balanced mix of debt and equity financing and avoid overreliance on debt for funding for sustain growth and security.
- e) The company should involve streamlining processes, enhancing production capacity and optimizing inventory management.
- f) Focus on maximizing asset utilization and operational efficiency to expansion into new markets.
- g) The company should prioritize initiatives aimed at creating long-term value for shareholders to enhance investor confidence and loyalty.
- h) The company should remain alert of changing market dynamics and consumer preferences.

5.3 Conclusion

The financial performance analysis of Development Avenue (Pvt) Ltd. has showed crucial areas of the company's financial well-being, operational efficiency and strategic placement within Bangladesh's real estate market. Through an exhaustive examination encompassing numerous financial parameters and patterns over five years, substantial insights have arisen, revealing useful perspectives on the company's performance and options for progress. The constant rise in equity reflects the company's financial soundness and expanding ownership position. Additionally, consistent liquidity ratios demonstrate the company's adeptness in fulfilling short-term commitments successfully. Moreover, the company's careful financial management procedures, as indicated by ratios like Debt-to-Equity and Asset Turnover Ratio, reveal a sensible balance in financing and effective usage of assets to fuel sales growth and operational efficiency. Furthermore, trend analysis demonstrates the company's persistent commitment to long-term development and wealth creation, visible in strategic investments. Despite these gains, chances for future development lay in maximizing efficiency and resource use to promote profitability. Strategies targeted at refining income sources, controlling costs, and increasing capital allocation are vital to improve profitability compared to shareholder equity.

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