Internship report on

"Working Capital Management Practices in an IT Product-Based Company – A Case Study on Eastern IT."

Supervised By

Dr. A.F.M Mafizul Islam
Distinguished Professor
Department of Business Administration
Faculty of Business & Entrepreneurship
Daffodil International University

Prepared By

Md. Nazmus Sakib
ID: 213-11-1420
Major: Finance (60th Batch)
Bachelor of Business Administration (BBA)
Department of Business Administration
Daffodil International University

Date: 25.07.2025

LETTER OF SUBMISSION

25th July 2025

Dr. A.F.M Mafizul Islam
Distinguished Professor
Department of Business Administration
Faculty of Business & Entrepreneurship
Daffodil International University

Subject: **Submission of Internship Report Titled: "Working Capital Management Practices in an IT Product-Based Company – A Case Study on Eastern IT"**

Dear Sir,

I am very pleased to submit my internship report on **"Working Capital Management Practices in an IT Product-Based Company – A Case Study on Eastern IT"** to you respectfully. I have prepared this report according to you and the guideline of the university.

During my job, I have tried to use the knowledge that I have learned from academic courses related to understand the way working capital is managed in a real IT company.

Thank you very much for your support and guidance. I humbly request to accept my report for evaluation.

Sincerely,

……………………………….

Md. Nazmus Sakib

ID: 213-11-1420

BBA Program

Department of Business Administration

Faculty of Business & Entrepreneurship

Daffodil International University

Letter of Approval

This letter serves to confirm that **Md. Nazmus Sakib**, Student **ID: 213-11-1420**, is a regularly enrolled student in the Department of Business Administration, Faculty of Business & Entrepreneurship at Daffodil International University. He has successfully completed his internship program at **Eastern IT** and has worked under my direct supervision to prepare this internship report.

His internship report topic is:

"Working Capital Management Practices in an IT Product-Based Company - A Case Study on Eastern IT "

I would say the report satisfied the requirements of the BBA Program.

I wish him every success in his academic life and in his professional life.

……………………………………………………………..

Dr. A.F.M Mafizul Islam

Distinguished Professor

Department of Business Administration

Faculty of Business & Entrepreneurship

Daffodil International University

Student’s Declaration

I, **Md. Nazmus Sakib** (ID: **213-11-1420)**, certify that the internship report entitled **"Working Capital Management Practices in an IT Product Based Company: A Case Study in Eastern IT"** contains my own original work written based on my three-month experience at Eastern IT.

This report is submitted solely for the partial fulfillment of the requirements for the award of the Bachelor of Business Administration (BBA) degree at Daffodil International University. It should not be reproduced, disclosed or used for any other purpose without my prior written consent.

Md. Nazmus Sakib
ID: 213-11-1420
Program: BBA
Major in Finance
Department of Business Administration
Faculty of Business & Entrepreneurship
Daffodil International University

ACKNOWLEDGEMENT

I want to take this opportunity to express my appreciation to everyone who contributed to the successful conclusion of my internship and the writing of this report.

I would first like to thank **Mr. Khondoker Sayed Ahmed**, my supervisor at Eastern IT. I would like to sincerely thank him for his continuous support, guidance, and direction. He has been a tremendous help in my practical understanding of working capital management.

I would also like to thank **Dr. A.F.M. Mafizul Islam**, my academic advisor, for his constant support, comments, and scholarly advice for the preparation of this report entitled **"Working Capital Management Practices in an IT Product-Based Company – A Case Study on Eastern IT."**

I would also like to thank all of Eastern IT management for giving me the chance to gain valuable experience in a professional environment. Finally, I would also like to say thanks to my family, faculty, and friends for all their encouragement throughout my academic adventure.

……………………………………………..

Md. Nazmus Sakib

ID: 213-11-1420

BBA Program

Department of Business Administration

Faculty of Business & Entrepreneurship

Daffodil International University

Table of Contents

Table of Contents

EXECUTIVE SUMMARY

The report **"Working Capital Management Practices in an IT Product-Based Company – A Case Study on Eastern IT"** is based on a three-month internship experience. This report examines how Eastern IT manages working capital and maintain its financial viability and flexibility in the IT space. The report covers the purpose and scope of the study and provides an overview of the company mission, and contributions to the ICT sector in Bangladesh. During the internship period, I was responsible for overseeing receivables, payables; invoicing and assisting in financial statements preparation.

This internship assisted me to understand financial controls. Conclusions of the report identify the key emphasis on liquidity, the management of cash flow, and linkages to the activities within departments.

The report is concluded with personal reflections, recommendations and academic implications of the experience.

Chapter 1

Introduction

Chapter 1 – Introduction

1.1 Background to the Study

Good inventory management is crucial for companies, especially in fast-paced technology industries such as **Eastern IT**, which sells digital products like laptops, printers, and software. Valuable inventory management ensures that a business avoids over-purchasing obsolete products, while also minimizing running out of high-demand products. As a finance student reviewing inventory management shows how cash flow can be impacted, borrowing costs, working capital and operational efficiency.

1.2 Statement of the Problem

Eastern IT employs various electronic information interfaces to track inventory, but there are areas of concern based in regards to inventory practices such as product obsolescence, system update lag, overstocking and missing sales opportunities by not having stock. All of these issues are related to costs, and customer satisfaction. The report will seek how to improve inventory management practices for more profitable performance.

1.3 Significance of the Study

The anticipated importance of the subject matter as it pertains to inventory management is not just applicable to Eastern IT, but extrapolates to every other IT based business. For finance practitioners it illustrates an operational practice that has an extraordinary bearing on liquidity, as well as the operational outcome of profitability.

1.4 Objectives of the Study

- To document the current practices for ordering, storing and accounting of inventory.
- To investigate how the company tracks stock movement and manages risk of product obsolescence.
- To gain understanding about the challenges faced in maintaining optimized inventory levels.
- To provide findings and rationale for ways to improve inventory management effectiveness and reduce costs.

1.5 Limitations of the Study

Due to time constraints and privacy matters, this study relied on existing documents and the input of employees. Technical access to identifying detailed inventory and financial information was not available. Regardless, appropriate measures were taken to ensure pertinent, relevant and accurate information was included.

Chapter 2

Company/Organization Overview

Chapter 2 – Company/Organization Overview

2.1 General Overview

Eastern IT is a private technology company that distributes and supplies a variety of IT products in Bangladesh. Since establishment, the company has built a strong foothold in the technology market through quality products and after-sales assistance. Eastern IT sells individually and for businesses providing modern solutions to enhance productivity and efficiency to our clients' day to day operation. Our number one goal is customer satisfaction, and as a result, we have established a good reputation of being a trustworthy IT partner with quick deliveries and reliable service in our many branches.

2.2 Mission, Vision & Core Values

Mission:

To provide high-quality technology products and services resulting in lasting customer relationships founded on trust and satisfaction.

Vision:

To be one of the premier IT solutions providers in Bangladesh, through innovation, quality, and outstanding service.

Core Values:

- **Customer Commitment**: We will focus on customer satisfaction in everything we do.
- **Motive:** We will operate with honesty and transparency.
- **Innovation:** We will embrace new ideas and technologies.
- **Teamwork:** We will work together with respect and unity.
- **Excellence:** We will strive for excellence in everything we do in business.

2.3 History and Current Operations

Eastern IT officially began life in 2010, designed to meet the demand for reliable and affordable IT products in Bangladesh. The company has grown over the years to hand a variety of products of high quality across the nation.

Eastern IT's present product portfolio includes:

1. Desktop and laptop computers
2. HP Laser Printers
3. Toners and cartridges
4. Thermal barcode printers
5. Care label solutions
6. Barcode scanners
7. ID card printers
8. Thermal ribbons
9. Thermal label conversion supplies
10. POS (Point of Sale) systems

Eastern IT is well known for its after-sales service and ensure support to customers within 3 days of service request. The company has seven branches at key cities and commercial areas

1. Kazi Bhaban
2. IDB Bhaban
3. Multiplan Center
4. Uttara
5. Khulna
6. Chattogram
7. Head Office – Mirpur 60 Feet, Dhaka

Eastern IT currently employs approximately 200 employees, and is functionally organized into designated small teams that manage ordering, inventory, sales, and customer service. Eastern IT continues to grow effectively due to appropriate inventory management systems and quality customer satisfaction.

Chapter 3

Internship Role and Responsibilities

Chapter 3 – Internship Role and Responsibilities

3.1 Your Role

At Eastern IT I worked as a **Management Trainee Officer (MTO)** and was fortunate to work in various functional areas. Most of my assignments were in asset management, employee records, verification, and supporting the internal audits. The assignments encompassed business operations/daily tasks and tasks that include working with various departments to ensure that good data practices and compliance with internal company procedures.

In this position, I was privy to key processes used by the company and assisted with record keeping and procedural organization of the work.

3.2 Rationale of the Role

My role was to support important functions that are crucial for operations and compliance.

Asset management is an important function of any organization because it is responsible to ensure that long-term assets are accurately documented, tagged and tracked. Proper records, can help the company, to protect those resources. Plan for the depreciation of its assets. And ultimately prepare reliable financial statements.

Employee verification and file management is also an important function, because it allows for maintaining accurate personal records and ensuring that HR policies/processes during an audit, to meet compliance and track issues when necessary.

Lastly, to assist with something like the internal audit, gave me an understanding of the risk management and control processes, they are critical for making organizations process efficient and reducing operational errors.

3.3 Examples of Tasks Completed

Throughout my role as MTO, I completed a variety of work in several departments, some examples of tasks I completed are:

1. Asset Management:

- Gathered information and data on long-term assets from all branches.
- Created asset tags and then physically tagged equipment for tracking purposes.
- Excel maintained asset registers so correct records were sustained.

2. Employee Verification:

- Visited employees' current addresses to authenticate their personal information.
- Marked all findings and reported any discrepancies to HR.

3. Personnel Files:

- Organized and updated personnel files to ensure all documents were completed and current.
- Assisted in the separation of confidential files, and filing.

4. Internal Audit:

- Assisted in preparing documents and records for internal audit reviews.
- Assisted audit teams with locating and verifying files, data and records as well as compliance with various policies.

Chapter 4

Key Learnings and Experiences

Chapter 4 – Key Learnings and Experiences

4.1 Important Learnings

As a Management Trainee Officer (MTO) at Eastern IT, I had practical experience with asset management, employee records, and assistance with internal audits. I learned how to record transactions accurately, adhere to internal policy, and keep matters confidential. My internship developed my abilities in communicating with other departments as well as understanding how administrative functions help facilitate overall corporate efficiency.

4.2 Connection with Academia

My internship definitely had links to my studies within my BBA program. For example:

- **Financial accounting** - recording and tracking fixed assets.
- **Auditing** - assisting internal audits and developing an understanding of control processes.
- **Human Resource management** -checking employee information and maintenance of employee files.
- **Management information systems** -using Excel to organize data.

The experience of observing how all the theoretical concepts were implemented with an actual practice in the business world helped me a lot.

4.3 Practical Examples

My responsibilities included:

- Gathering information regarding assets and tagging inventory for tracking purposes.
- Updates to employee records and organizing the records in line with compliance requirements.
- Verification of employee addresses and documenting address verifications.
- Supporting internal audit teams by preparing records and checking accuracy.

These activities mostly improved my skill set and my preparation for responsibilities in finance and administration.

Chapter 5

Critique and Reflections

Chapter 5 - Critique and Reflections

5.1 Critical Evaluation

5.1.1. Current Ratio

Year	Current Assets (Tk)	Current Liabilities (Tk)	Current Ratio
2020	86,736,592.20	45,020,606.80	1.93
2021	101,192,690.90	55,409,977.60	1.83
2022	115,648,789.60	65,799,348.40	1.76
2023	130,104,888.30	76,188,719.20	1.71
2024	144,560,987.00	86,578,090.00	1.67

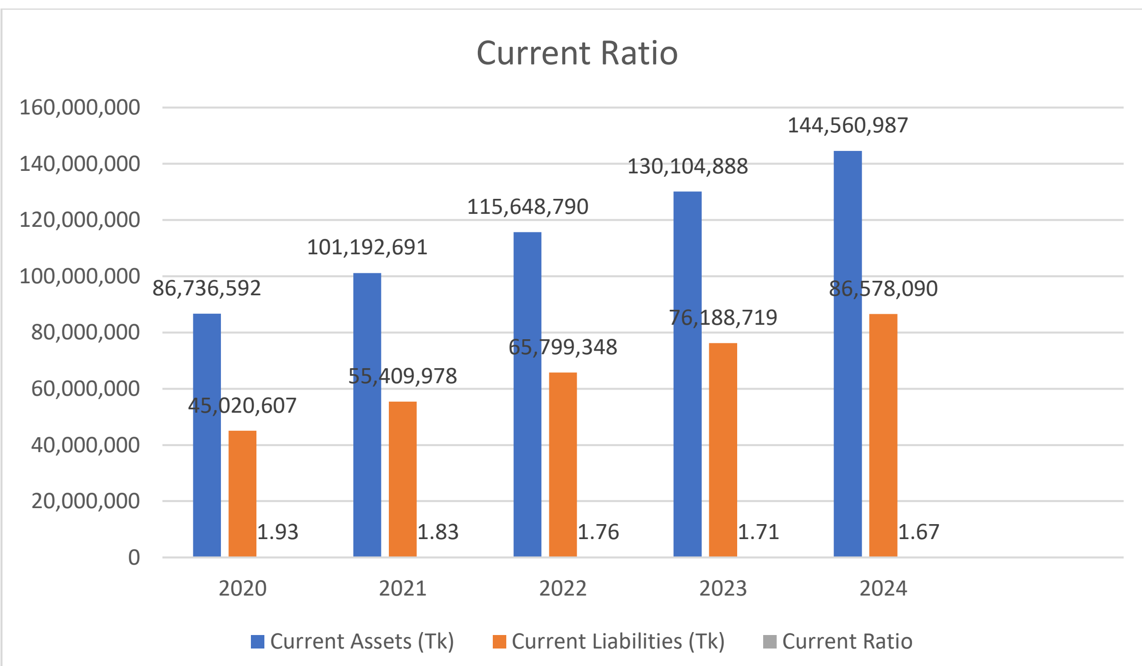

Figure: 1

Figure 1 displays the Current Ratio of Eastern IT from 2020 until 2024. In 2020, the Current Ratio was 1.93 that marks that the company had nearly twice a large level of Current assets as Current debts. Over the years the Current Ratio declined slowly; it was 1.83 in 2021, 1.76 in 2022, 1.71 in 2023 and finally 1.67 in 2024.

As stated above, the Current Ratio expresses whether the company has enough short-term assets to pay short-term bills.

- In 2020, the Current Ratio provided evidence of a strong position to pay short-term liabilities.
- The decline in 2021 and 2022 was minor, but it can also signify a smaller amount of "extra current assets."
- The Continuous decline in 2023 and 2024 are signs of dwindling liquidity.

While the falling Current Ratio remains above 1.0 indicating a level of safe liquidity, the fact that it is declining means the company needs to be cautious. It will need to properly management cash, inventory and increase current liabilities more rapidly to effectively manage liquidity and financial strength.

5.1.2. Quick Ratio

Year	Current Assets – Inventory	Current Liabilities (Tk)	Quick Ratio
2020	(76,849.60)	114,167	(0.00)
2021	(2,434,192.70)	101,045	(0.04)
2022	(24,791,535.80)	1,128,299	(0.38)
2023	(57,148,878.90)	849,304	(0.75)
2024	(89,506,222.00)	947,108	(1.03)

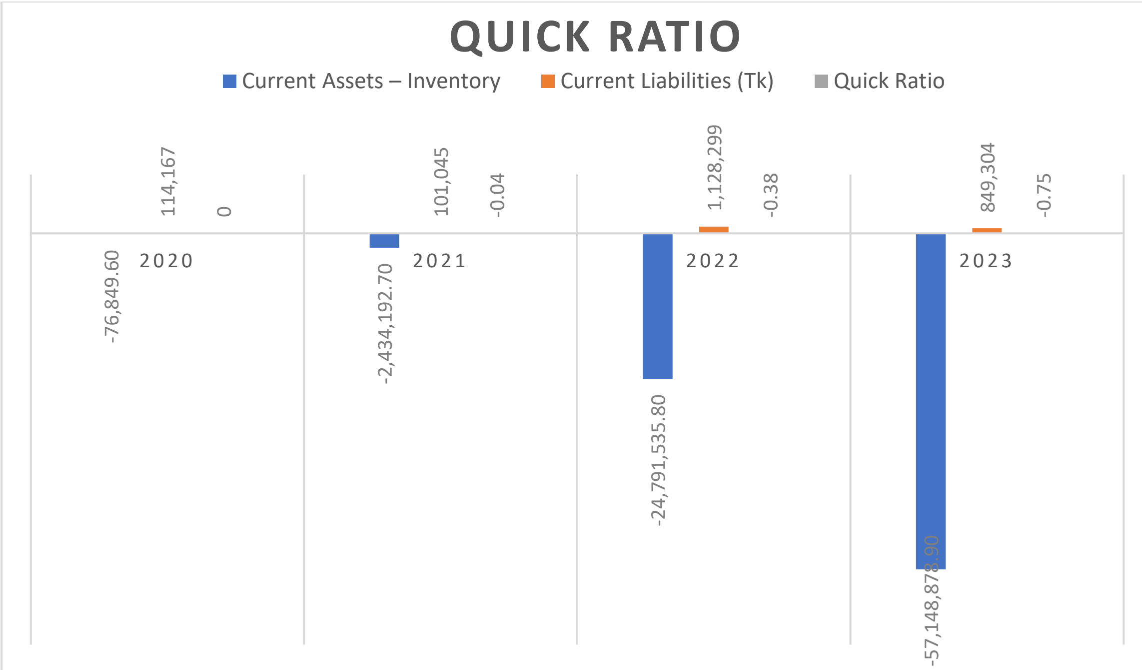

Figure: 2

Figure 2 illustrates the Quick Ratio of Eastern IT from 2020 to 2024. The Quick Ratio shows if the company is able to settle its short-term liabilities without selling inventory.

In 2020, the Quick Ratio was 0.00 meaning that the company did not have any liquid, available assets such as cash or receivables to settle its liabilities. The Quick Ratio went slightly up in 2021 to 0.04 meaning liquidity was still very poor.

The Quick Ratio improved slightly to 0.38 in 2022 indicating some improvement. Then in 2023 the Quick Ratio improved again to 0.75, and then in 2023 was 1.03, which indicated more solid and safe liquidity measures and position.

- The low Quick Ratios of 2020 and 2021 show weak liquidity and poor financial health
- Eastern IT's steady improvement from 2022 to 2024 shows that the company is working on improving liquidity
- The 2024 Quick Ratio of 1.03 means that Eastern IT has now assets above its short-term liability needs; therefore, it does not have to sell inventory.

While this improvement indicates a positive liquidity trend, Eastern IT should continue to monitor its receivables and cash balances carefully to create improved liquidity trends.

5.1.3. Cash Ratio Table

Year	Cash & Cash Equivalents (Tk)	Current Liabilities (Tk)	Cash Ratio
2020	6,012,226.80	45,020,606.80	0.13
2021	8,266,811.85	55,409,977.60	0.15
2022	10,521,396.90	65,799,348.40	0.16
2023	12,775,981.95	76,188,719.20	0.17
2024	15,030,567.00	86,578,090.00	0.17

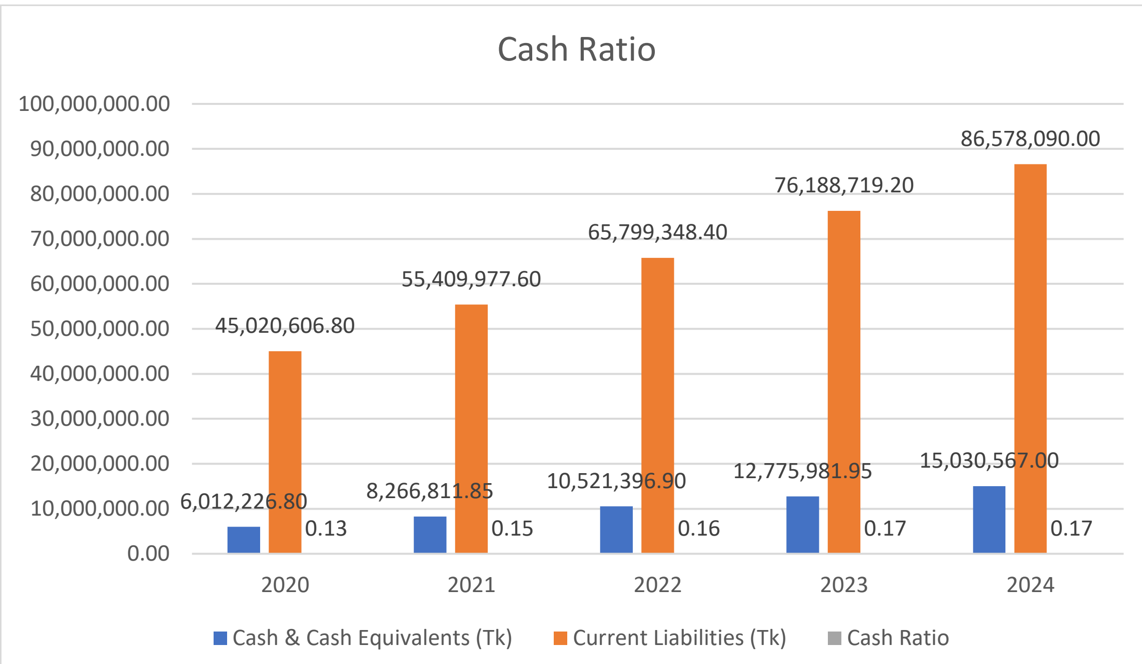

Figure: 3

Figure 3 highlights the Cash Ratio of Eastern IT from 2020 to 2024. Cash Ratio is an indicator of the company's ability to keep cash and cash equivalents on hand to pay off short-term debts without relying on receivables or inventory.

In 2020, the amount of cash, cash equivalents, and credit considered cash was at 0.13, meaning it had 13% of the amount available to cover current liabilities. The ratio grew slightly after that. The ratio held values of: 0.15 in 2021, 0.16 in 2022, and both 2023 and 2024 held the value of 0.17.

- The cash ratio for each of the five years remained below 0.2 indicating limited cash reserves relative to short-term debts.
- The gradual increase of the cash-ratio is a positive thing; but at less than a full ratio, growth is slow.
- A low cash ratio is not uncommon in many businesses; however it does show that there can be limited resources to pay off an immediate debt.

In conclusion, while Eastern IT maintained a stable position with low cash throughout the review period, it must seek to increase cash reserves to enhance their overall short-term financial position.

5.1.4 Activity Ratios

1. Inventory Turnover Ratio

Year	Inventory (Tk)	COGS (Tk)	Average Inventory (Tk)	Inventory Turnover Ratio
2019–20	86,813,441.80	486,435,353.04	—	—
2020–21	103,626,883.60	565,785,696.70	95,220,162.70	5.94
2021–22	140,440,325.40	754,428,602.09	122,033,604.50	6.18
2022–23	187,253,767.20	1,090,159,336.83	163,847,046.30	6.65
2023–24	234,067,209.00	1,275,577,065.00	210,660,488.10	6.05

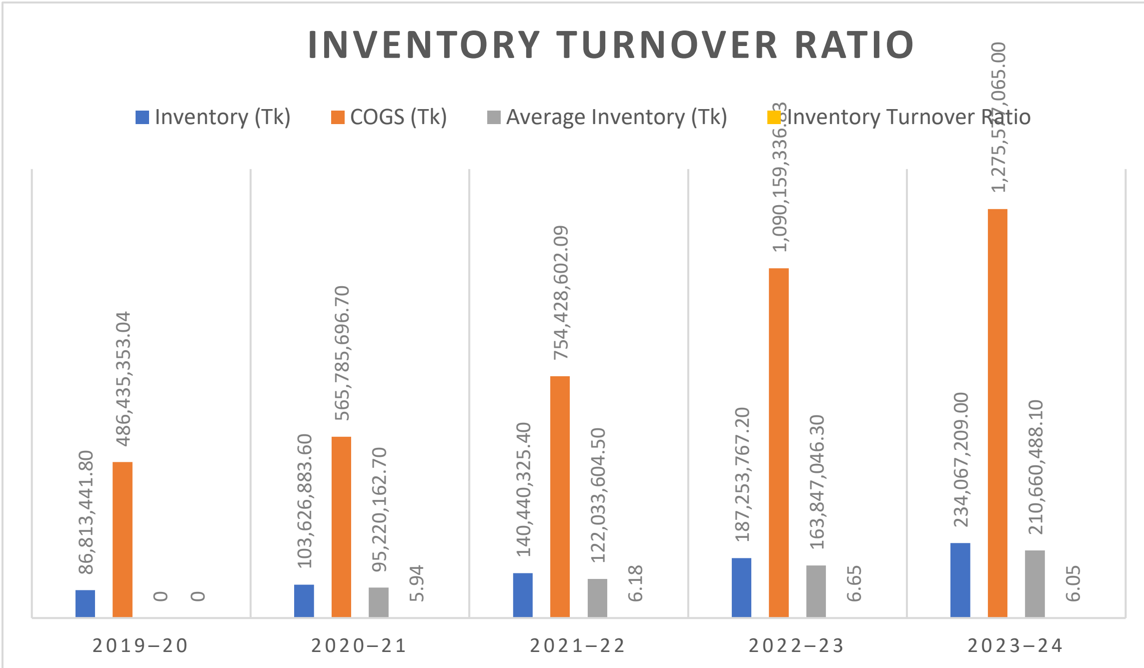

Figure: 4

Figure 4 shows the Inventory Turnover Ratio of Eastern IT from 2020 to 2024. This ratio indicates how many times the company sold and replaced its inventory in the year. Higher ratios mean faster movement of inventory which is typically a good indicator for businesses.

- The ratio for the year 2020-21 was 5.94 which indicates the company sold its inventory almost six (6) times during the year.
- The number increased to 6.18 in 2021-22 and peaked at 6.65 in 2022-23, suggesting very effective inventory management.
- For the year 2023-24, the ratio dropped slightly to 6.05 but still indicates good performance.
- The growth from 2020 to 2023, suggests that the efficiency of how inventory was utilized was on the rise.
- The minor drop in 2024 means the company either having held slightly more stock or had a bit of reduced sales speed on general inventory movement.
- Even with our reduction in figure, the OTI ratio is still on the healthy side, and indicative of efficient inventory control measures.

In conclusion Eastern IT was able to manage inventory effectively across all its years. To keep improving, continue to monitor sales trends as well avoid holding slow-moving products.

2. Receivables Turnover Ratio

Year	Net Credit Sales (Tk)	Average Receivables (Tk)	Receivables Turnover Ratio
2020	347,453,823.60	83,500,000.00	4.16
2021	440,786,531.15	83,500,000.00	5.28
2022	636,265,086.10	83,500,000.00	7.62
2023	952,323,098.84	83,500,000.00	11.41
2024	900,407,340.00	83,500,000.00	10.78

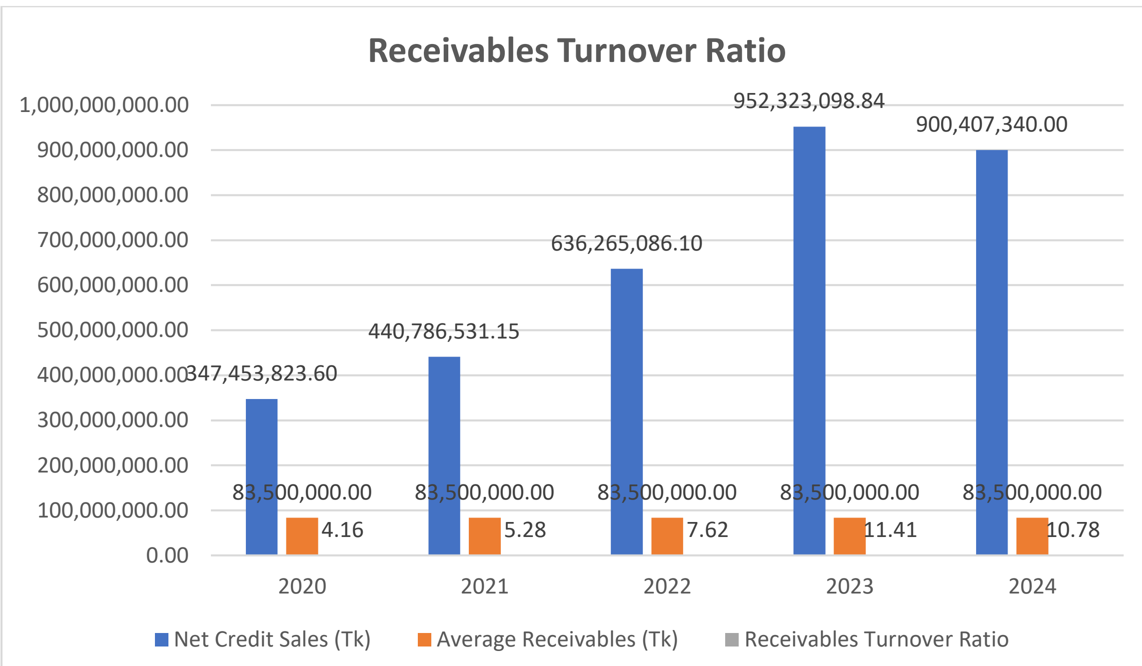

Figure: 5

Figure 5 illustrates the Receivables Turnover Ratio for Eastern IT for the years 2020 to 2024. This ratio shows the number of times the company collects its average receivables during the year. The higher the ratio, the more quickly the company is collecting payments from clients/customers.

- In 2020, the company had a receivables turnover ratio of 4.16, which means it collected its receivables approximately four times that year.

- The ratio improved to 5.28 in 2021, and then improved to 7.62 in 2022, reaching a zenith of 11.41 in 2023.
- The ratio declined slightly to 10.91 in 2024 but still indicated a very good collection ratio for Eastern IT.

This trend is indicative of an improvement in the efficiency of Eastern IT's cash collection and recovery of dues owed from clients/customers from 2020 to 2023, which can improve cash flow and reduce potential bad debt.

Even if the ratio has declined slightly in 2024, the ratio still remains at a high level which may indicate good control over receivables.

3. Accounts Payable Turnover Ratio

Year	COGS (Tk)	Average Accounts Payable (Tk)	Accounts Payable Turnover Ratio
2020	486,435,353.04	56,790,000.00	8.57
2021	565,785,696.70	56,790,000.00	9.96
2022	754,428,602.09	56,790,000.00	13.28
2023	1,090,159,336.83	56,790,000.00	19.20
2024	1,275,577,065.00	56,790,000.00	22.46

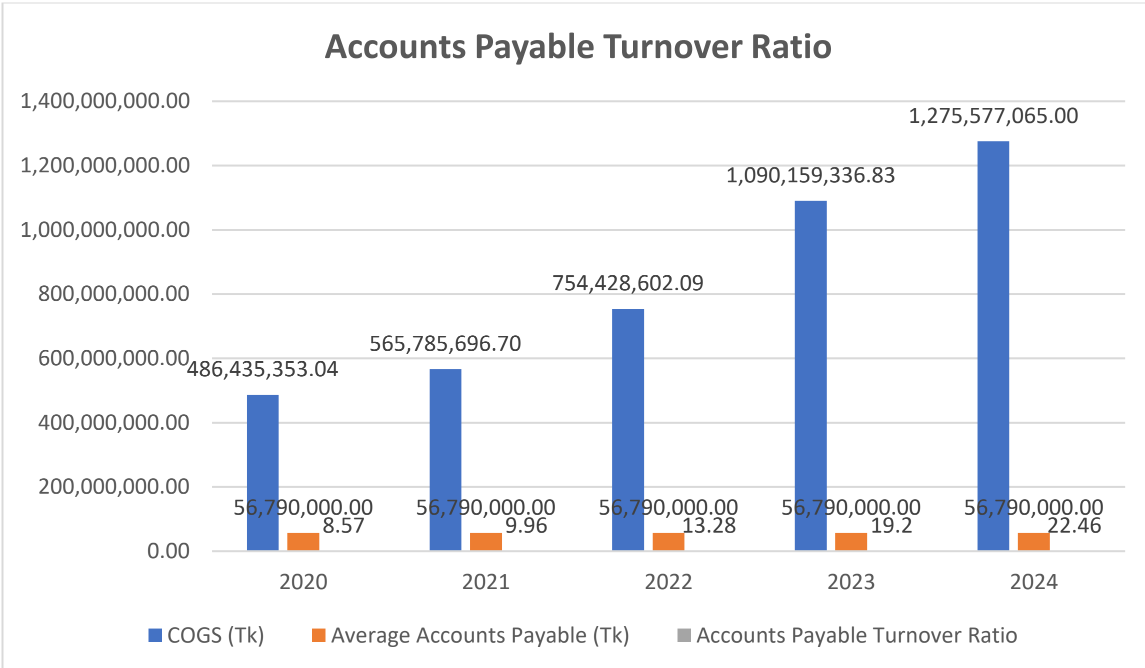

Figure: 6

Figure 6 shows the Accounts Payable Turnover Ratio of Eastern IT from 2020 to 2024. This ratio indicates the number of times the company paid its suppliers during the year. A higher ratio means Eastern paid its creditors more frequently.

- In 2020, their ratio was 8.57. This ratio increased to 9.96 in 2021, then to 13.28 in 2022.
- The ratio rose to 19.20 in 2023, then reached 22.46 in 2024. Each year clearly exhibited a growing trend.
- The upward trend demonstrates that Eastern IT has paid its suppliers more over time.
- An increasing ratio could indicate the company has cash flow heavily in their favor, or less time between payment.
- An increasing ratio could indicate it is less advantageous credit on suppliers' terms or it is not using suppliers' credit terms effectively.

Overall, the company has reproachfully cleared its payables, and should improve their suppliers' trust by doing so, but Eastern IT should ensure it is managing the timing of payments effectively with the utilization of their cash.

4. Days Payable Outstanding (DPO)

Year	Accounts Payable Turnover Ratio	DPO (Days Payable Outstanding)
2020	8.57	42.03
2021	9.96	36.13
2022	13.28	27.10
2023	19.20	18.75
2024	22.46	16.03

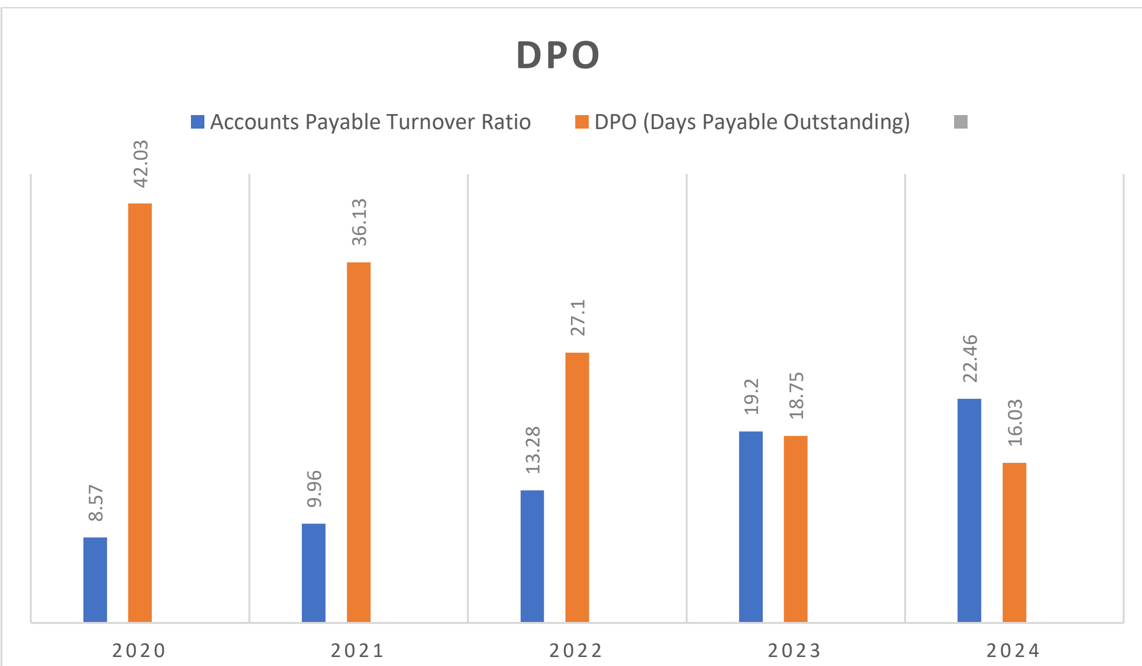

Figure: 7

The chart in **Figure 7** details the Days Payable Outstanding (DPO) for Eastern IT from 2020 to 2024. DPO is a measure of how many days a company takes to pay to its suppliers. A decreasing DPO is a positive sign because a lower DPO indicates the company is paying its bills faster.

- DPO in 2020 was 42.03 days, meaning this company took about 42 days to pay its suppliers.
- DPO in 2021 was reduced to 36.13 days, in 2022 DPO was reduced to 27.10 days and in 2023 was reduced to 18.75 days which was finally in 2024 reduced to 16.03 days.
- As noted, Eastern IT was able to continue to reduce DPO which indicates the company is paying suppliers quicker year after year.
- Faster payments allow a company to build more trust and strengthen relationships with suppliers, but timely payments can be too quick and reduce the opportunity to capitalize on trade credit.
- If DPO is too low, it creates an unwarranted risk if cash flow is not properly managed.

Here overall, Eastern IT has been successful in reducing the time taken to pay its suppliers, which is a good thing for supplier relationships, but it is also important to ensure that we are maximizing all benefits associated with trade credit.

5.1.5 Net Working Capital Position

Year	Current Assets (Tk)	Current Liabilities (Tk)	Net Working Capital (Tk)
2020	86,736,592.20	45,020,606.80	41,715,985.40
2021	101,192,690.90	55,409,977.60	45,782,713.30
2022	115,648,789.60	65,799,348.40	49,849,441.20
2023	130,104,888.30	76,188,719.20	53,916,169.10
2024	144,560,987.00	86,578,090.00	57,982,897.00

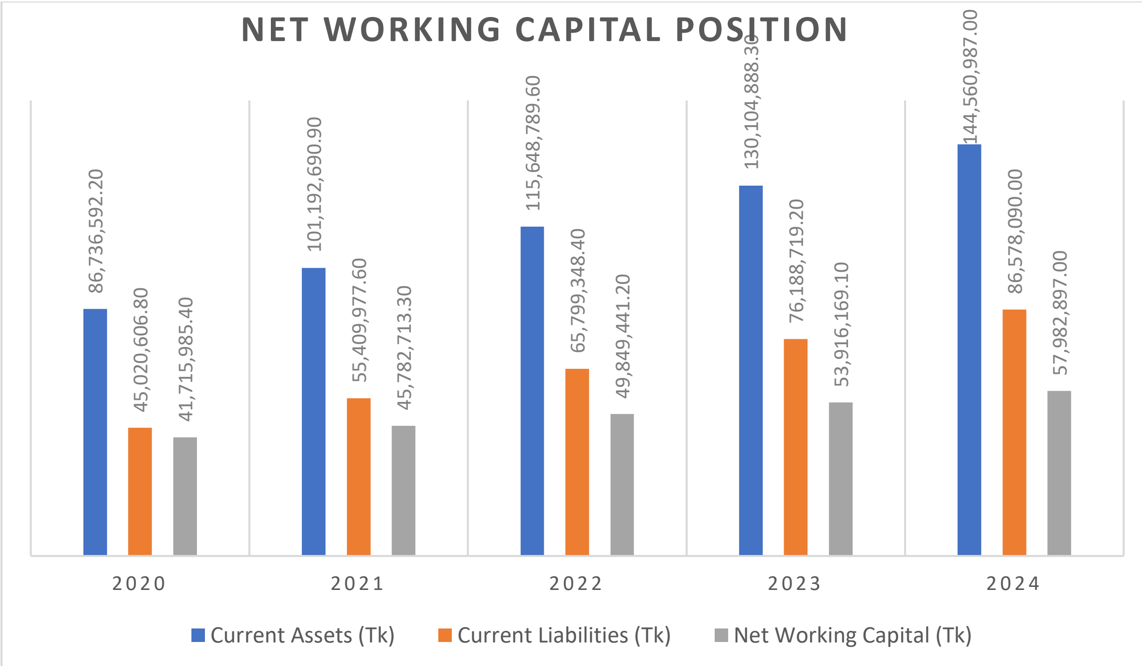

Figure: 8

Figure 8 shows Eastern IT's Net Working Capital (NWC) from the years of 2020 to 2024. NWC is determined through the company's current assets minus current liabilities. A positive amount of NWC means that the business will be able to pay its short-term obligations funded by its short-term assets.

- Eastern IT had a NWC of Tk. 41.71 million in 2020, and had gone up every year thereafter, as follows:
- Tk. 45.78 million in 2021
- Tk. 49.85 million in 2022
- Tk. 53.92 million in 2023
- Tk. 57.98 million in 2024.
- The maintained growth means the company has been demonstrating greater short-term financial health over the past five years
- More working capital means more flexibility to operate; more flexibility pays bills as well as handle any emergencies that may arise.
- The company has been able to grow current assets as well as manage liabilities.

Overall, Eastern IT has maintained a strong and improved working capital position during this period, which indicates good management, preferable financial planning, and sustainable operations.

5.1.6 Working Capital Turnover

Year	Net Sales (Tk)	Net Working Capital (Tk)	Working Capital Turnover (Times)
2020	579,089,706.00	41,715,985.40	13.88
2021	657,890,345.00	45,782,713.30	14.37
2022	908,950,123.00	49,849,441.20	18.23
2023	1,253,056,709.00	53,916,169.10	23.24
2024	1,500,678,900.00	57,982,897.00	25.88

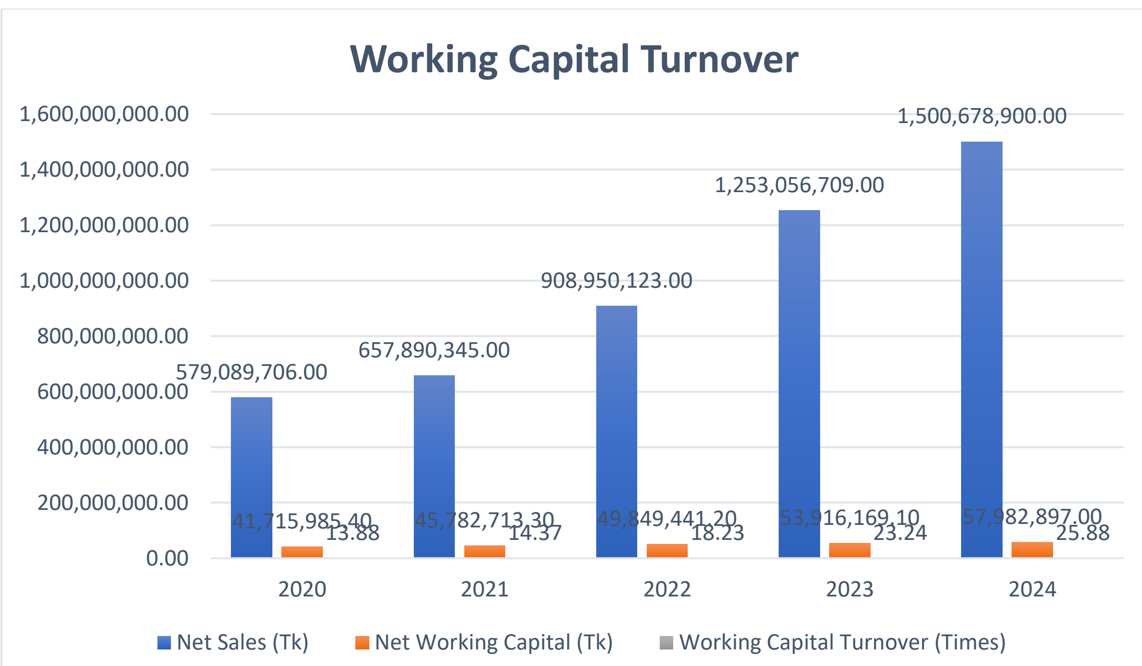

Figure: 9

The Working Capital Turnover Ratio of Eastern IT for 2020 to 2024 is represented in **Figure 9** This ratio gauges how efficiently a company turns its net working capital into sales. A higher ratio indicates greater efficiency.

- In 2020 the ratio was 13.88 times indicating that every Tk. 1 of working capital generated Tk. 13.88 of sales
- The Working Capital Turnover Ratio rose to 14.37 in 2021, 18.23 in 2022, 23.24 in 2023, and in turned to 25.88 times in 2024.
- The upward trend shows that Eastern IT is using its working capital more efficiently each year.
- Rising turnover illustrates that they are using less working capital (i.e. less capital tied up in operations) to generate higher levels of revenue.
- It indicates that the company's working capital management is an illustration of operational efficiency and cash flow management.

In summary, the increase in Working Capital Turnover Ratio illustrates Eastern IT's effective resource management, and more ability to convert short-term assets into revenue.

5.2 Key Challenges

During internship, I encountered many difficulties while working with financial and operational data of Eastern IT. The first source of difficulty was a lack of central data for tracking inventory and receivables in financial systems as they were not tracking things live. Second, it felt like I didn't have enough time in the month for the monthly reports and accounts verification because of various decision-making processes and delays in departments being coordinated (delayed approvals, or missing data). Finally, in the first few weeks of the internship, I spent a lot of time exploring and understanding the company's ERP and financial systems.

5.3 Learning from Challenges

I've not just gained knowledge and experience about adapting, time-management, and collaboration across diverse teams, I experienced first-hand first world real workplace challenges. These have helped me develop problem-solving skills, such as trying to figure out what to do about missing data or payment transactions that remain unresolved. I also learnt how to deal with pressure and work within tight time deadlines since these issues will occur frequently during working in the business world.

5.4 Overall Reflection

My internship at Eastern IT was a valuable experience that provided me with real exposure to working capital management. I had the opportunity to learn how financial policy and operations impact cash flow, liquidity, and profitability. Moreover, it enabled me to apply my theoretical insights in practice, which allowed me to enhance my technical and interpersonal skills. Overall, it was a considerable learning experience that assisted me with my professional and personal development.

Chapter 6

Conclusion

Chapter 6 – Conclusion

6.1 Summary

This report detailed an examination of the working capital management practices at Eastern IT. The report undertook a financial ratio examination of the firm, as well as cash management, inventory management, and receivables management. Overall, the firm has strong liquidity and efficiency in practice, although areas such as low cash reserves and accelerated payments to suppliers may need to be reevaluated.

6.2 Final Evaluation

Eastern IT is successfully managing its working capital with healthy inventory turnover, collection of receivables, and asset use. There are some management options to strengthen its position, for example balancing cash positions and making payments on time to suppliers also making strategic use of trade credit. If the firm makes some of these small changes, it could build on what it already has.

6.3 Future Goals

In the future, I would like to build upon my knowledge and understanding of financial planning and analysis, especially in the area of corporate finance. I also want to pursue further study, or certification to augment my understanding of data-driven decision making and become more proficient as a strategic financial manager. My time at Eastern IT has inspired me to see a career for myself in financial operations and business analysis.

Chapter- 7

Implications

Chapter 7 – Implications

7.1 Academic Relevance

The internship experience allowed me to apply several principles from the classroom such as current ratio, working capital and receivables turnover in a real business situation, particularly in the IT industry.

7.2 Organizational Impact

The work I did provided assurance of financial accuracy, compliance, and audit-ready information for Eastern IT as it worked to improve its process for inventory and receivables.

7.3 Industry Relevance

The IT industry works at a fast pace, and Eastern IT needs to manage working capital illustrates the need to find balance with liquidity, inventory and supplier relations to do so.

7.4 Lessons Learned

- On-time data management is critical.
- Cross-function collaboration strengthens and justifies finance functions.
- Using ERP systems enhances accuracy of financials.
- Details matter when managing working capital.

7.5 Future Recommendations

1. Increase cash reserves so liquidity is improved.

2. Revisit supplier payment terms to lower DPO.

3. Consider automation to reduce time in updating inventory.

4. Provide incentives for timely payments.

5. Conduct nursing audits on working capital components regularly.

References

- Brigham, E. F., & Houston, J. F. (2019). *Fundamentals of financial management* (15th ed.). Cengage Learning. https://www.cengage.com/c/fundamentals-of-financial-management-15e-brigham/
- Deloof, M. (2003). Does working capital management affect profitability of Belgian firms? *Journal of Business Finance & Accounting*, *30*(3-4), 573–588. https://doi.org/10.1111/1468-5957.00008
- Lazaridis, I., & Tryfonidis, D. (2006). Relationship between working capital management and profitability of listed companies in the Athens Stock Exchange. *Journal of Financial Management and Analysis*, *19*(1), 26–35. https://papers.ssrn.com/sol3/papers.cfm?abstract_id=931591
- Ross, S. A., Westerfield, R. W., & Jordan, B. D. (2022). *Essentials of corporate finance* (11th ed.). McGraw-Hill Education. https://www.mheducation.com/highered/product/essentials-corporate-finance-ross-westerfield/M9781264100783.html
- Bangladesh Securities and Exchange Commission. (n.d.). *Corporate financial reporting guidelines*. https://www.sec.gov.bd/slaws.htm
- Investopedia. (2023). *Working capital turnover ratio*. https://www.investopedia.com/terms/w/workingcapitalturnover.asp
- Kenton, W. (2023). *Liquidity ratios: Definition, types, and importance*. Investopedia. https://www.investopedia.com/terms/l/liquidityratios.asp
- Eastern IT. (2020–2024). *Annual reports, income statements, and balance sheets* [Unpublished internal company documents].
- Daffodil International University. (2024). *Internship report writing guidelines for BBA students.* Department of Business Administration.

213-11-1420

ORIGINALITY REPORT

11%	9%	6%	6%
SIMILARITY INDEX	INTERNET SOURCES	PUBLICATIONS	STUDENT PAPERS

PRIMARY SOURCES

1	dspace.daffodilvarsity.edu.bd:8080 Internet Source	3%
2	www.coursehero.com Internet Source	1%
3	scindeks.ceon.rs Internet Source	1%
4	Ton Duc Thang University Publication	1%
5	answeregy.com Internet Source	1%
6	Submitted to American National University Student Paper	<1%
7	scindeks-clanci.ceon.rs Internet Source	<1%
8	cgspace.cgiar.org Internet Source	<1%
9	Submitted to University of Greenwich Student Paper	<1%
10	mro.massey.ac.nz Internet Source	<1%
11	biopen.bi.no Internet Source	<1%
12	Submitted to Daffodil International University Student Paper	<1%

13	123dok.com Internet Source	<1%
14	Imam Arafat, Suzanne Fifield, Theresa Dunne. "The impact of directors' attributes on IFRS fair value disclosure: aninstitutional perspective", Journal of Applied Accounting Research, 2023 Publication	<1%
15	Submitted to The University of Law Ltd Student Paper	<1%
16	Submitted to University of Westminster Student Paper	<1%
17	da Costa, Bárbara Reis. "Cash Conversion Cycle Across Industries", Universidade NOVA de Lisboa (Portugal), 2024 Publication	<1%
18	suspace.su.edu.bd Internet Source	<1%
19	www.research.manchester.ac.uk Internet Source	<1%
20	canvasbusinessmodel.com Internet Source	<1%
21	erepository.uonbi.ac.ke Internet Source	<1%
22	jurnal.ulb.ac.id Internet Source	<1%
23	parabpublications.com Internet Source	<1%
24	Majid Khan Majahar Ali, Sani Rabiu, Mohd Tahir Ismail. "Analytical Inventory	<1%

Management and Optimization - Theories, Methods and Applications", CRC Press, 2025
Publication

25	dspace.uiu.ac.bd Internet Source	<1 %
26	www.ceocongress.org Internet Source	<1 %
27	zbw.eu Internet Source	<1 %
28	Submitted to North South University Student Paper	<1 %
29	fastercapital.com Internet Source	<1 %
30	pdfcoffee.com Internet Source	<1 %
31	Martins, Madline Teixeira. "Does Sustainability Performance Influence Working Capital Management? Evidence from European Companies Across Industries", Universidade NOVA de Lisboa (Portugal) Publication	<1 %
32	Yu, Xianli. "Effects of Economic Policy on Property Development Firms' Financial Health.", University of Technology Sydney (Australia), 2024 Publication	<1 %
33	Bijan Vasigh, Zane C. Rowe. "Foundations of Airline Finance - Methodology and Practice", Routledge, 2019 Publication	<1 %

Exclude quotes	Off	Exclude matches	Off
Exclude bibliography	Off		