Internship Report on

Financial Performance Evaluation of Hasan Automobiles

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Financial Performance Evaluation of Hasan Automobiles

Submitted By:

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Submitted To:

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Date of Submission: December 15, 2024

Letter of Transmittal

Date: 15th December, 2024

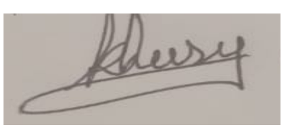
Ms. Sabrina Akhter
Assistant Professor
Department of Business Administration
Faculty of Business and Entrepreneurship
Daffodil International University

Subject: Submission of internship report entitled **“Financial Performance Evaluation of Hasan Automobiles”.**

Dear Ma’am,
As per the requirement for the Department of Business Administration's BBA degree, I am pleased to present the results of my internship, which focused on "**Financial Performance Evaluation of Hasan Automobiles**," for your review. I completed the report on time and achieved all of the recommended objectives. Writing the report and participating in this internship program have improved my understanding of the topic area and the information I have gained from my academic studies.

I have tried my best to make this report comprehensive and instructive. I genuinely hope you will appreciate my work and find the report to meet your expectations. I want to reiterate that without your help and direction, I could not have completed this report. If you have any queries concerning this report, I would be pleased to answer them.

Sincerely yours,



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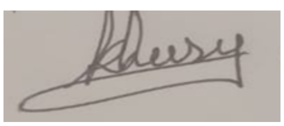
Student’s Declaration

I, **Khusy Akther**, attest that, during my 90-day internship at **Hasan Automobiles**, I prepared the internship report titled "**Financial Performance Evaluation of Hasan Automobiles**" under the guidance of **Sabrina Akhter** Ma'am. The materials pf this report is derived from three months of hands-on training in Hasan Automobiles.

In addition, I want to clarify that the paper was written just for academic purposes and not for any other reason.

Sincerely,



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Letter of Approval

This certifies that Khusy Akther, ID# 201-11-6486, Program BBA, Batch 55th, Major in Finance, is enrolled regularly in The Department of Business Administration, Faculty of Business and Entrepreneurship, Daffodil International University. She wrote this internship report under my close supervision after completing her internship program at Hasan Automobiles, Bashundhara Residential Area, Dhaka. Her assigned topic is "Financial Performance Evaluation of Hasan Automobiles". I think that the report is worthy of fulfilling the partial requirements of the BBA program.

I wish her happiness and every success in life.

Sabrina Akhter

Assistant Professor

Department of Business Administration

Faculty of Business & Entrepreneurship

Daffodil International University

Acknowledgments

All of the people who helped and advised me throughout my internship and the writing of my internship report have my sincere gratitude and respect.

I want to start by sincerely thanking Ma'am **Ms. Sabrina Akhter**, who was my internship supervisor. His guidance, expertise, and constant support were invaluable in helping me understand the industry and provide wise counsel for writing this report. I truly value his great mentoring, and his encouragement and perceptive criticism have been crucial to my professional development.

I would also like to express my gratitude to the entire Hasan Automobiles team for their kind welcome throughout my internship. Specifically, my team leader, **Mr. Hasan Mahmud** Sir, whose careful supervision and support inspired me to finish the tasks. The team's collaborative work environment has considerably improved my learning and growth.

All of my coworkers who generously shared their expertise and experience with me have my genuine gratitude. They have shown great tolerance, a desire to share ideas, and a readiness to answer my questions.

Furthermore, I would like to thank **HASAN AUTOMOBILES** for providing me with this internship opportunity. The exposure to real-world scenarios and the practical application of academic knowledge have considerably improved my professional development, which will undoubtedly aid me in achieving my future goals.

In particular, I am grateful for the support that my fellow interns gave me during our internship. Their companionship, discussions, and common experiences have made this internship one to remember.

Finally, I would like to express my gratitude to my friends and family for their unwavering encouragement and support throughout my internship. My achievements have mostly been attributed to their unfailing support and faith in my abilities.

I want to thank every one of you for supporting me and being a crucial part of my internship experience.

Executive Summary

Hasan Automobiles is a reputed company in the automotive industry specializing in the sale, repair, and maintenance of a wide range of vehicles. In this paper, I have discussed the overall operations and financial performance analysis of Hasan Automobiles. Determining the present status of the firm has been made easy by financial performance analysis. Numerous statistics, including common size, trend analysis, profitability, operational efficiency, efficiency or activity, and financial risk/leverage ratios, are used to assess the financial performance of Hasan Automobiles. One of the most prominent business divisions of Hasan Automobiles is High-Tech. They are committed to offering their clients full local services. Efficient management of transactions, reliable financial information, innovative products, and first-rate clearance services globally.

This internship report's objective is to use analysis to pinpoint issues and determine the most effective ways to address them. Hasan Automobiles' financial performance is examined using thorough methodologies. Lastly, I've included my findings, a conclusion, a citation, and a few suggestions for possible fixes for the problems. Additionally, an attempt was made to identify a few factors that would allow Hasan Automobiles to increase sales, expand its market share, and create a stable market. offered several recommendations that would help Hasan Automobiles differentiate itself from other competing businesses, create a more favorable work environment, and increase productivity over the previous year.

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CHAPTER-1
INTRODUCTION

1.1 Introduction of The Report

In today's evolving business environment, investors, stakeholders, and decision-makers need to comprehend a company's financial performance. In this study, we explore the intricate structure of Hasan Automobiles and critically analyze its financial indicators, strategy, and market positioning to provide a comprehensive picture.

Hasan Automobiles is a major player in the automotive industry, and its financial performance serves as a gauge of its operational effectiveness and competitiveness. Through in-depth analysis, this study aims to illuminate the company's benefits, drawbacks, possibilities, and dangers, offering vital information for educated decision-making.

We started by carefully analyzing significant financial data in order to investigate the nuances of Hasan Automobiles' financial environment. We also evaluated market trends and competition dynamics. By integrating quantitative data with qualitative assessments, we seek to present a comprehensive view of the company's financial health, enabling stakeholders to make well-informed choices and deliberate action.

Hasan Automobiles is a leading player in the automotive sector, known for its commitment to quality, customer satisfaction, and innovation. Established in 2016, the company has built a strong reputation as a trusted provider of automotive services, including the sale of new and pre-owned vehicles, comprehensive repair and maintenance services, and customer support solutions. Their objective is to enhance people's quality of life via the responsible use of knowledge, skills, and technology.

They are committed to striving for perfection via superior products, innovative processes, and empowered employees in order to give customers the greatest experience possible. They pledge to provide customers value for their money by delivering consistently high-quality goods and services. By using their core competencies to manage operations efficiently and utilize resources effectively, they can ensure a greater return on investment. Hasan Automobiles upholds and innovates by adhering to a distinct set of values: Quality, Customer, Focus, Fairness, Transparency, and Continuous Improvement.

1.2 Origin of the Report

In the last semester of the BBA degree at Daffodil International University, every student must complete an internship with a company and then write a report. The assessment method requirements for the internship program are satisfied by this report. The three-month internship I completed at Hasan Automobiles' corporate headquarters in Dhaka's Bashundhara Residential Area served as the foundation for my study, "Financial performance evaluation of Hasan Automobiles." This internship report was prepared under the direction of my organization supervisor, Md. Nahid Hasan, Senior Officer of the customer relations department at Hasan Automobiles, and following a consultation with my supervisor, Sabrina Sultana, an Assistant Professor in the Department of Business Administration at the Faculty of Business & Entrepreneurship, Daffodil International University.

1.3 Significance of the Report

This internship report is one of the primary prerequisites for the four-year BBA program. This is due to the fact that when theory and practice are combined, knowledge and learning become flawless. Students may increase their relationships and networks through this internship program. People you know can help you find work in the real world. Students may train and prepare for the workforce using this method. A significant portion of college graduates in Bangladesh, a developing country, are unemployed. Their inability to obtain internship experience, which is crucial for landing a job, has prevented them from gaining the typical professional experience needed to build a network. Consequently, the value of internships is amply demonstrated as a crucial prerequisite for a four-year

1.4 Objectives

1.4.1 General Objective

The general objective of this study is to analyze the financial performance of Hasan Automobiles.

1.4.2 Specific Objectives

- To know the current financial position of Hasan Automobiles.
- To compute and evaluate various ratios, including profitability, operating efficiency, and liquidity ratios, among others.
- The objective is to determine the issues pertaining to Hasan Automobiles' financial performance and offer potential solutions

1.5 Methodology

Data collection: From selecting the study's topic to delivering the final report, a methodical strategy is needed. The descriptive technique was used in this study to gather information and comprehend Hasan Automobiles' financial performance. Finding and gathering data sources was the first step in the inquiry. They were systematically categorized, processed, evaluated, and presented, yielding important results. The general methodological approach described below was used to carry out the inquiry.

Sources of data:

The data used to complete this report has been collected from the Secondary sources.

Secondary Sources:

- Hasan Automobiles Annual report 2019-2023.
- Web site of Hasan Automobiles. (http://www.Hasan Automobiles.bd.com).
- Lanka bd (http://lankabd.com)
- Articles in the newspapers.
- Third-party blogs, websites articles etc.

Data Analysis:

To analyze the data, MS Excel has been used.

1.6 Limitation of Study

Several components and experiences are required to create a report. However, creating an accurate and thorough report presented a number of difficulties. some restrictions or hurdles that make it difficult for me to do my duties.
I had some challenges when composing this internship report. The following is a list of the restrictions.

- It has been challenging to investigate the distinction between laws and regulations and real-world application.
- The absence of some historical and current facts.
- The webpage has too little information.
- It was really challenging to get the necessary data.
- Some procedures and policies were difficult to understand.
- The business did not share internal data and information.

CHAPTER-2
ORGANIZATIONAL OVERVIEW

2.1 Background of Hasan Automobiles

Hasan Automobiles has established a solid name because to its long-standing collaboration with Japan's Hino Motors, a well-known commercial vehicle manufacturer worldwide. Because of this partnership, the firm is now able to offer premium, long-lasting, and fuel-efficient cars that are extensively utilized in Bangladesh's public transit, logistics, and other commercial sectors. The business provides extensive after-sales services and is a major supplier of authentic replacement parts in addition to vehicle assembly, guaranteeing its clients full assistance.

Hasan Automobiles, which has a major portion of the commercial vehicle industry, has profited from the rising need for transportation options brought on by Bangladesh's quick infrastructural development. Its steady emphasis on quality, client happiness, and diversifying its product line makes it a major force in the market. In line with worldwide trends and sustainability objectives, the corporation is investigating diversification prospects for the future, including a foray into ecologically friendly automobiles like electric and hybrid models.

2.2 Mission of Hasan Automobiles

To deliver high-quality, reliable commercial vehicles and exceptional after-sales service, meeting the transportation needs of Bangladesh with innovation and customer focus.

2.3 Vision of Hasan Automobiles

To lead Bangladesh's automotive industry with sustainable solutions, technological advancements, and a commitment to driving national growth.

2.4 CORPORATE CULTURE

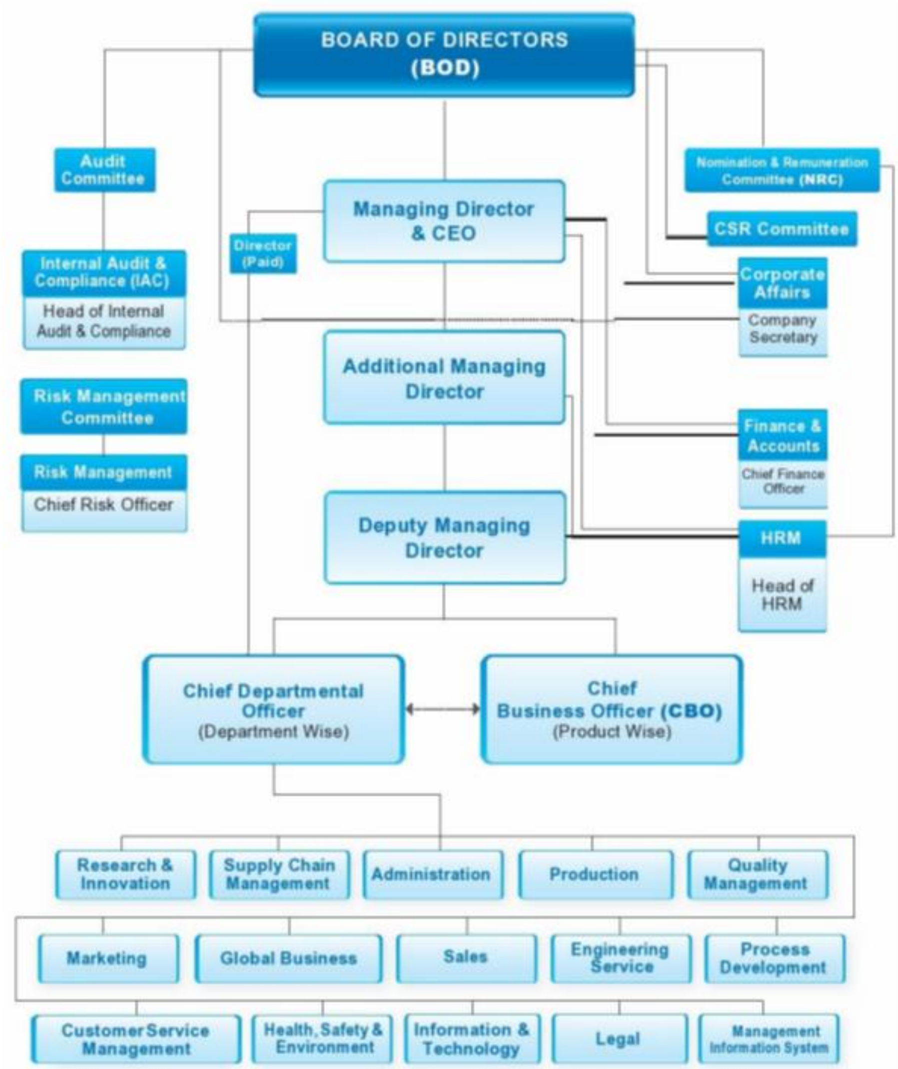
- Maintains high standards in vehicle assembly and after-sales services, ensuring reliability and customer satisfaction.
- Emphasizes adopting advanced technologies and exploring sustainable solutions like eco-friendly vehicles.
- Prioritizes understanding and meeting customer needs with exceptional service and support.
- Partners with renowned international brands, incorporating best practices and expertise from global markets.

- Aligns operations with eco-friendly practices to address environmental and industry challenges.

2.5 The core value

- Commitment to providing high-quality, reliable vehicles that meet customer expectations.
- Conducting business with honesty, transparency, and ethical practices.
- Prioritizing customer satisfaction through excellent service and innovative solutions.
- Continuously adopting new technologies and improvements to stay ahead in the automotive industry.

2.6 Organizational Structure of Hasan Automobiles



2.8 Products of Hasan Automobiles

Hasan Automobiles is a prominent automobile company in Bangladesh, specializing in the sale of used vehicles, including a wide range of luxury and latest car brands and every parts of car. The company is known for its substantial stock of vehicles, catering to various customer preferences. Hasan Automobiles offers competitive pricing on these cars, focusing on customer satisfaction by delivering high-quality vehicles to customers' desired locations

CHAPTER-3

FINANCEAL PERFORMANCE ANALYSIS OF HASAN AUTOMOBILES

3.0 Performance Analysis of Hasan Automobiles:

The systematic method of monitoring and assessing performance measures in order to accomplish particular objectives is known as performance analysis. To determine strengths, limitations, and places for progress, data must be gathered and analyzed. Actionable insights are obtained from this study to improve performance and consistently get desired results.

3.1 Liquidity Ratio:

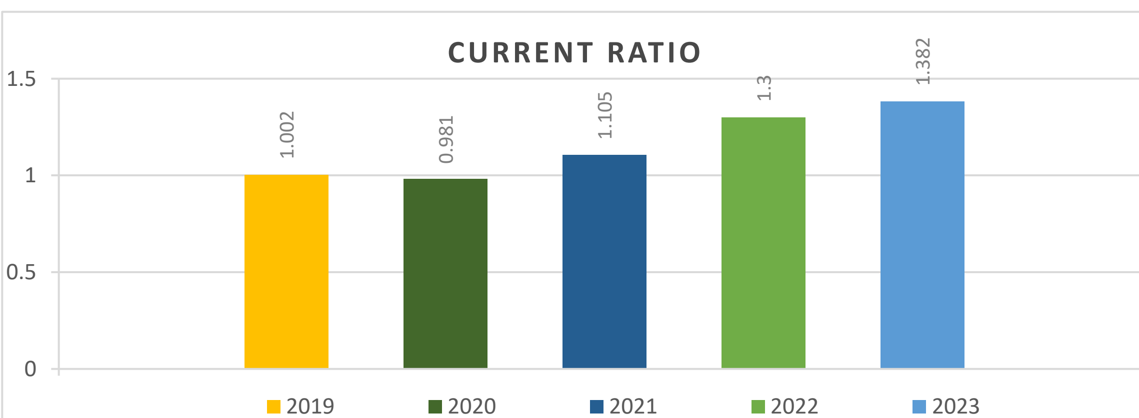
A company's liquidity ratio demonstrates how well it can use its current assets—cash and cash equivalents—to settle its debts. The ability of a business to settle short-term debt may be evaluated using the liquidity ratio.

3.1.1 Current ratio

The current ratio indicates a company's desire and capacity to use its short-term assets to settle its short-term obligations. The ratio of the company's debt to its cash or current assets. A higher current ratio indicates that the business has enough cash on hand to pay its debts.

$$\text{Current Ratio} = \frac{\text{Current Assets}}{\text{Current Liabilities}}$$

Current Ratio	
2019	1.002
2020	0.981
2021	1.105
2022	1.300
2023	1.382



Interpretation: According to the statistics, Hasan Automobile's current ratio varies every year. In 2023, the company's current ratio will be 1.382, meaning that for every dollar owing, it will have 1.382 in current assets to pay off its debt. This suggests that the company is doing quite well. Nonetheless, the ratio in 2022 is somewhat lower than in 2023. The graph shows the company's favorable growth relative to its current position. Source: (Hasan Automobiles , 2019-23).

Recommendations:

At the moment, this business is growing yearly. To keep their position, they must utilize the resources they now possess effectively.

3.2 Activity Ratio

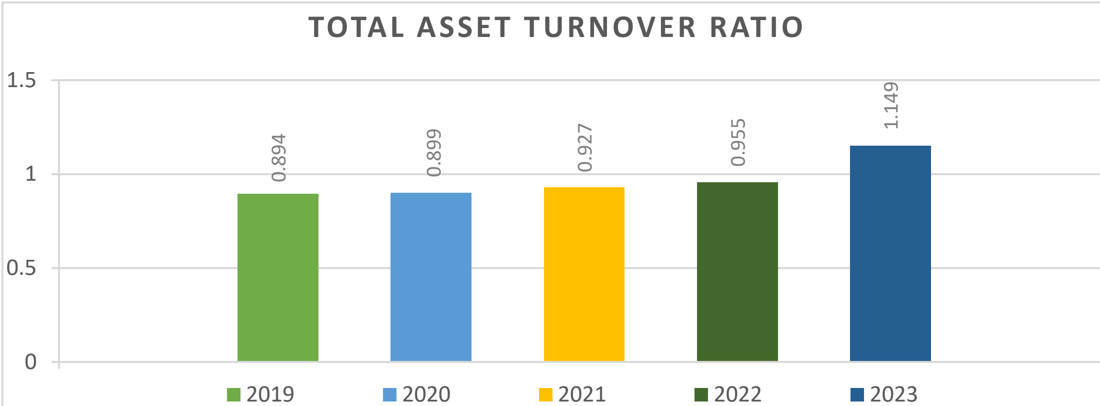
For the firm to assess how it uses the primary components of the balance sheet and its capacity to generate additional income, the activity ratio is essential.

3.2.1 Total asset Turnover Ratio

The total asset turnover ratio is a tool used to assess a company's capacity to make money off of its whole asset base. Investors can use the ratio to choose whether or not to put money into this business.

$$\text{Total Assets Turnover} = \frac{\text{Net Sales}}{\text{Total Assets}}$$

Total Asset Turnover Ratio	
2019	0.894
2020	0.899
2021	0.927
2022	0.955
2023	1.149



Interpretation: Over the next two years, the ratio will rise, indicating that the company is doing exceptionally well. Regretfully, the ratio has been declining recently, which is detrimental to the business. It suggests that the business is not making the most money feasible with its resources.

Source: (Hasan Automobiles, 2019-23).

Recommendations:

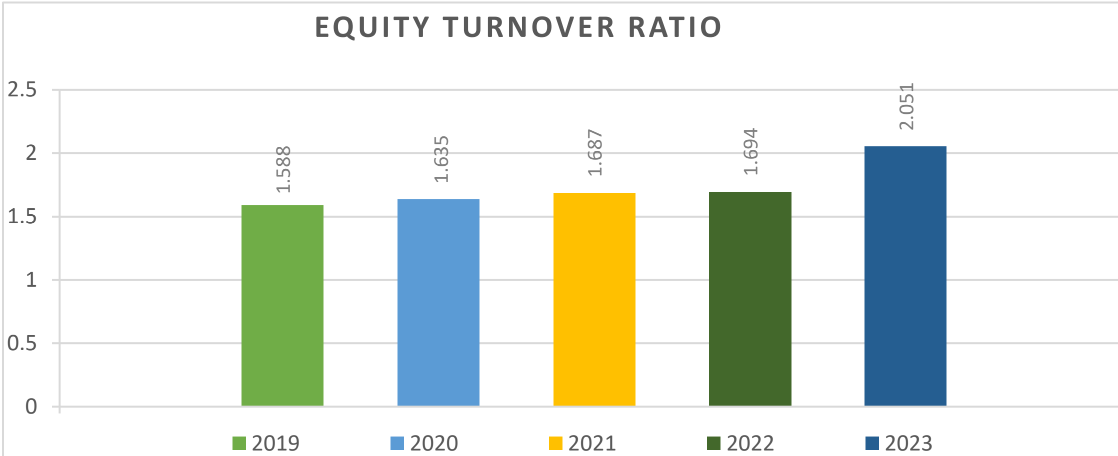
The company must better utilize all of its resources in order to increase sales.

3.2.2 Equity Turnover Ratio

Based on average shareholder equity, the equity turnover ratio offers insights into a company's revenue creation. It shows if the business makes money for its investors. The business has to make better use of all of its resources to boost sales.

$$\text{Equity Turnover} = \frac{\text{Net Sales}}{\text{Total Equity}}$$

Equity Turnover Ratio	
2019	1.588
2020	1.635
2021	1.687
2022	1.694
2023	2.051



Interpretation: The equity turnover ratio is expected to increase in 2021 and 2022, according to the graph. This implies that throughout the past two years, the company has made efficient and profitable use of its stock. However, the ratio declines from 1.694 to 2.051 in 2023, which is detrimental to the business. It implies that the business may not have fully utilized its equity. Source: (Hasan Automobiles, 2019-23).

Recommendations:

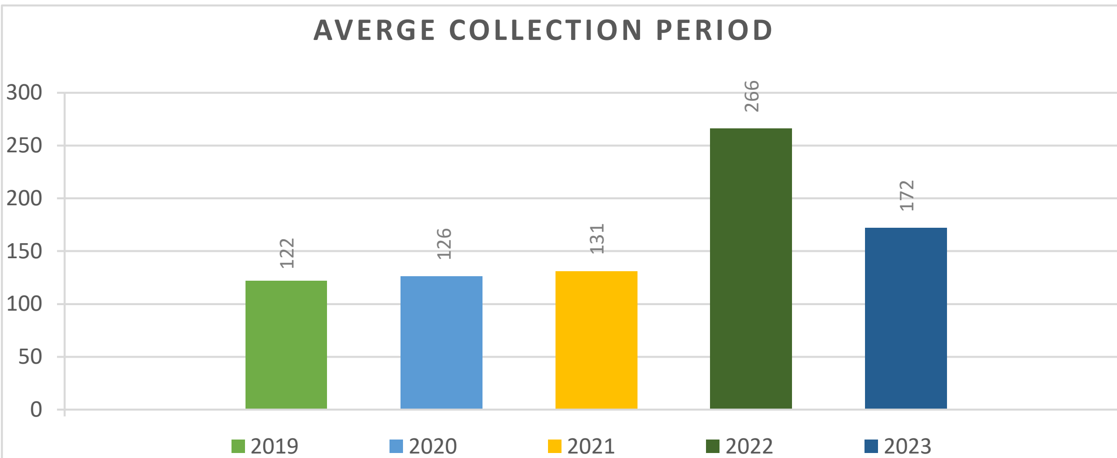
To increase its overall revenue, this corporation should concentrate on growing its whole equity and making effective use of it.

3.2.3 Average Collection Period

This percentage shows how well a business collects money from its clients. How long it takes to collect payments and how quickly the business can cut down on its accounts receivable. The firm is in a dangerous situation if the average collecting duration is long. This implies that there is insufficient cash on hand to sustain the day-to-day operations of the business. The daily operations of a business benefit from a shorter average collecting period.

$$\text{Average Collection Period} = \frac{360}{\text{Accounts Receivable Turnover}}$$

Average Collection Period	
2019	122
2020	126
2021	131
2022	266
2023	172



Interpretation:

According to this data, Hasan Automobiles' average collection duration increased from 131 to 266 days in 2022. In 2023, it falls again. Ultimately, it takes the business 172 days in 2023 to recover its receivables from clients. Their performance earlier in 2021 is very different from this. However, compared to 2022, they are attempting to shorten the number of days that make up their typical collecting period. Source: (Hasan Automobiles, 2019-23).

Recommendations:

The time it takes Hasan Automobiles to collect money is still rather long. They ought to concentrate on raising their turnover rate for accounts receivable. They might be able to shorten the typical time it takes them to collect money if they could do it.

3.3 Solvency Ratio

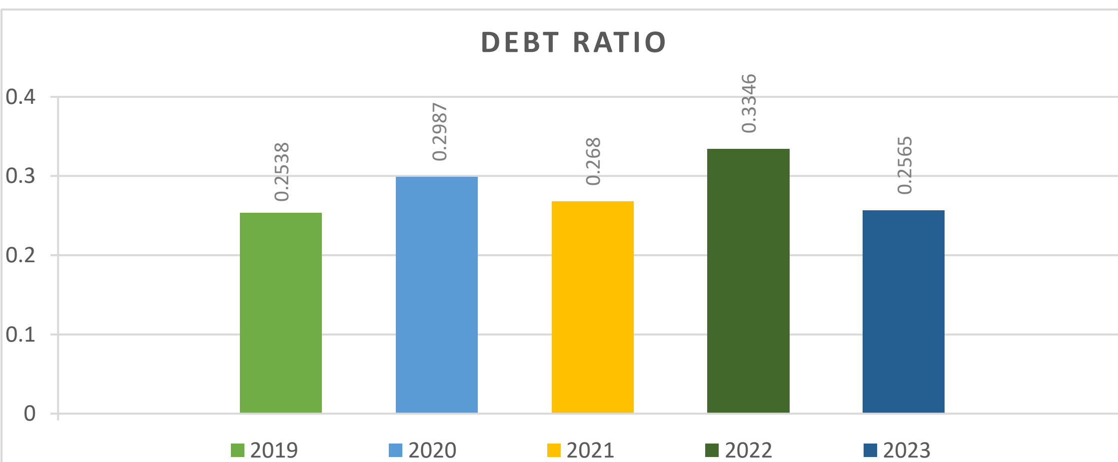
The amount of money that creditors provide equity holders to carry out day-to-day company operations is measured by the solvency ratio. This ratio may be used to assess a company's risk profile and debt-to-income ratio. It assesses the company's financial situation and shows how much cash is available to pay down its non-current debt.

3.3.1 Debt ratio

A company's debt ratio is determined by dividing its total liabilities by its total assets. A higher debt ratio is detrimental to the business. Because a greater debt ratio suggests that a business has more or fewer liabilities. For effective corporate operations, it seems sense to maintain an organization's whole debt.

$$\text{Debt Ratio} = \frac{\text{Total Liabilities}}{\text{Total Assets}}$$

Debt Ratio	
2019	0.2538
2020	0.2987
2021	0.2680
2022	0.3346
2023	0.2565



Interpretation:

The graph makes the debt-to-asset ratio performance of Hasan Automobiles simpler to understand. The debt ratio's evolution during these five years is clearly seen. The ratio of debt to income fluctuates from year to year. This result suggests that they have inconsistent asset and debt management. The reduced debt ratio compared to previous years makes 2023's performance relatively solid. Source: (Hasan Automobiles, 2019-23).

Recommendations:

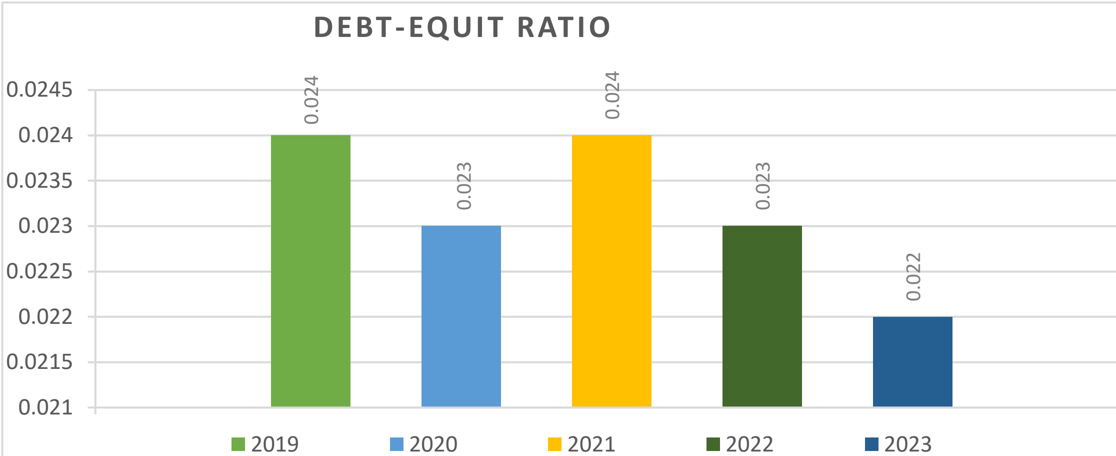
Hasan Automobiles has already started moving forward again. Over time, they made an effort to use their resources more wisely. They should create effective strategic plans in an effort to sustain the existing level of performance.

3.3.2 Debt-Equity Ratio

The debt-to-equity ratio was used to evaluate a company's capacity to settle debt with equity capital. How much of a company's capital originates from lenders and investors is shown by the debt-to-equity ratio. A higher debt-to-equity ratio indicates a greater reliance on equity resources for debt service.

$$\text{Debt to Equity Ratio} = \frac{\text{Long Term Debt} + \text{Current Portion of LT Debt}}{\text{Total Equity}}$$

Debt-Equity Ratio	
2019	0.024
2020	0.023
2021	0.024
2022	0.023
2023	0.022



Interpretation:

As the graph shows, the debt-to-equity ratio in this case is rising over time. We get a bad feeling about the company's success because of the ratio's steady increase. An increased proportion indicates that debt funding is more crucial to the business's continuous operations than equity financing. The debt-to-equity ratio in 2023 was 0.022, which was lower than the year before.

Source: (Hasan Automobiles, 2019-23).

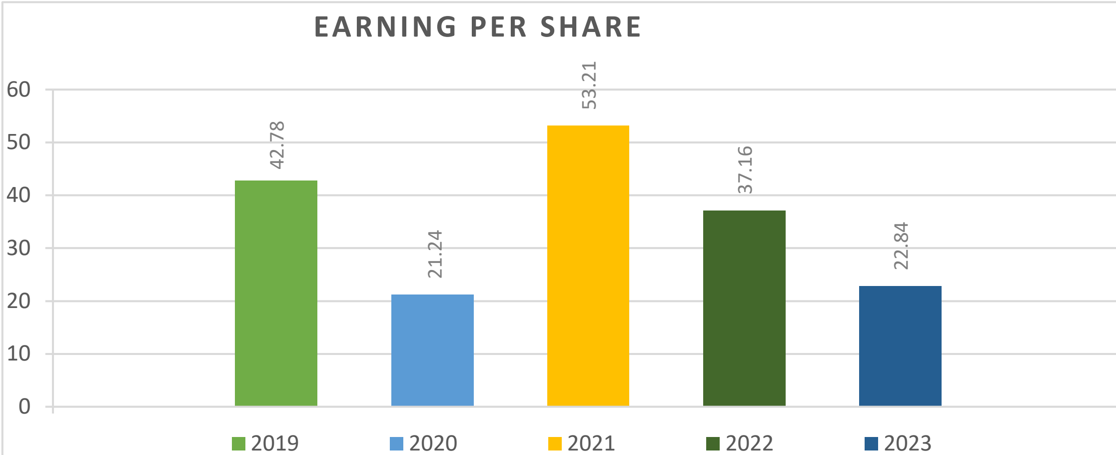
Recommendations:

Based on its 2023 performance, this firm is working to lower its debt-to-equity ratio. The company had to make an effort to strike the ideal balance between debt and equity in order to ensure profitability.

3.3.3 Earnings Per Share

The amount of profit allocated by the business to each common shareholder is shown by the profits per share ratio. It is a crucial metric for assessing a business's profitability and is also used to calculate stock price.

Earnings Per Share	
2019	42.78
2020	21.24
2021	53.21
2022	37.16
2023	22.84



Interpretation:

The recent year 2023 is poorly represented in the table and graph. The EPS ratio reached a respectable 53.21 in 2021. However, it begins to progressively decline after 2022. However, the highest EPS of 53.21 was recorded in 2021. The performance of Hasan Automobiles in 2023 is a far cry from that of his prior years. A corporation with a higher EPS attracts investors due to its relatively big profit allocation to shareholders. A falling EPS is a sign that a company's investors are facing more difficulties. Source: (Hasan Automobiles, 2019-23).

Recommendations:

Hasan Automobiles ought to concentrate on raising its profits per share. A company's EPS must rise in order to expand. Hasan Automobiles may attempt to increase sales by utilizing their resources. Alternatively, they might lower the total number of outstanding shares. They can easily raise their EPS in the next year if they choose to pursue one or both of these.

3.4 Profitability Ratio

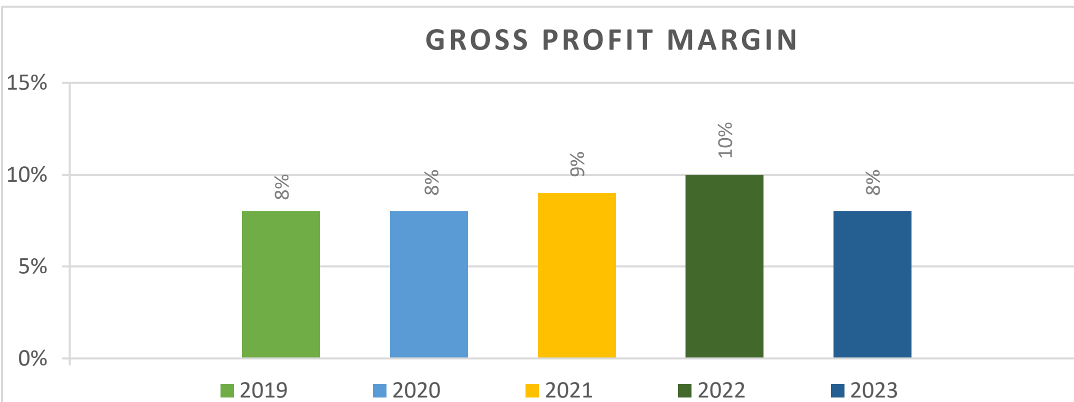
The profitability ratio of a business shows how much money it makes relative to its total sales. A company's profitability becomes clear when different expenses are deducted. It displays a company's possible profit margin for every dollar of revenue at various points in time.

3.4.1 Gross Profit margin

The gross profit margin of a business is calculated by dividing its revenue by the difference between sales and COGS. A lucrative firm is indicated by a larger gross profit margin. It exhibits reduced COGS and increased revenue, both of which are favorable signs for a business.

$$\text{Gross Profit Margin} = \frac{\text{Gross Profit}}{\text{Sales}}$$

Gross Profit margin	
2019	8%
2020	8%
2021	9%
2022	10%
2023	8%



Interpretation:

The graph indicates that Hasan Automobiles' gross profit margin is largely steady. In 2021, the ratio is at 9%. The gross profit margin for 2021 and 2022 is 10%. However, the percentage slightly drops to 8% in 2023. An 8% gross profit margin is shown by the fact that, after subtracting COGS, there are only 8 taka left over for every 100 taka of sales. This ratio is not particularly favorable. Source: (Hasan Automobiles, 2019-23).

Recommendations:

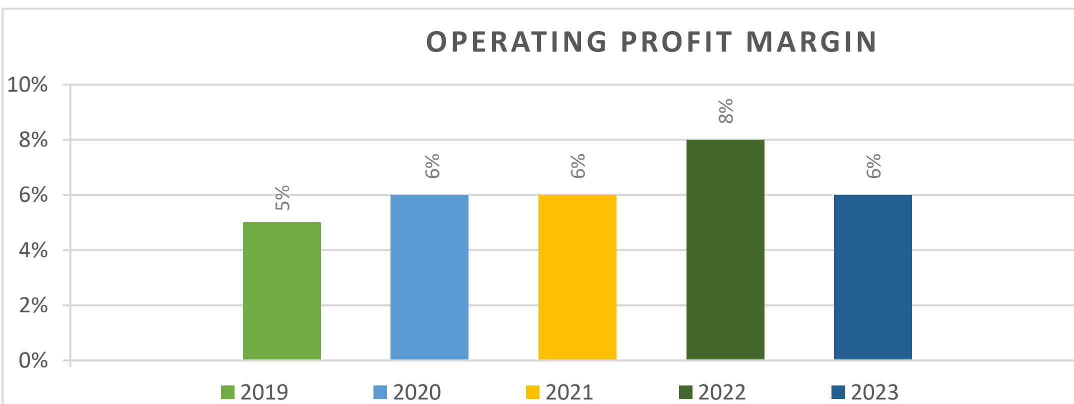
Attempting to lower COGS will help Hasan Automobiles improve their gross profit margin ratio. taking into account that a company's gross profit covers a far greater range of costs than just its profit. Being financially solid would be beneficial for investors.

3.4.2 Operating Profit Margin

OPM shows the portion of a company's gross income that can be devoted to operational expenses. how much money a business makes after paying its expenses. A higher operational profit margin indicates minimal expenses and significant earnings, both of which are beneficial to the business.

$$\text{Operating Profit Margin} = \frac{\text{Operating Profit}}{\text{Sales}} \text{ or } \frac{\text{EBIT}}{\text{Sales}}$$

Operating Profit margin	
2019	5%
2020	6%
2021	6%
2022	8%
2023	6%



Interpretation:

According to the data, there was a little variation in the operating profit margin from year to year. There is hardly any variation in OPM from year to year. This implies that the OPM of Hasan Automobiles is steady. After covering all operating costs, the company will turn a profit of 6 taka for every 100 taka of revenue in 2023, assuming an operational profit margin (OPM) of 6%. This is really low for a business. Source: (Hasan Automobiles, 2019-23).

Recommendations:

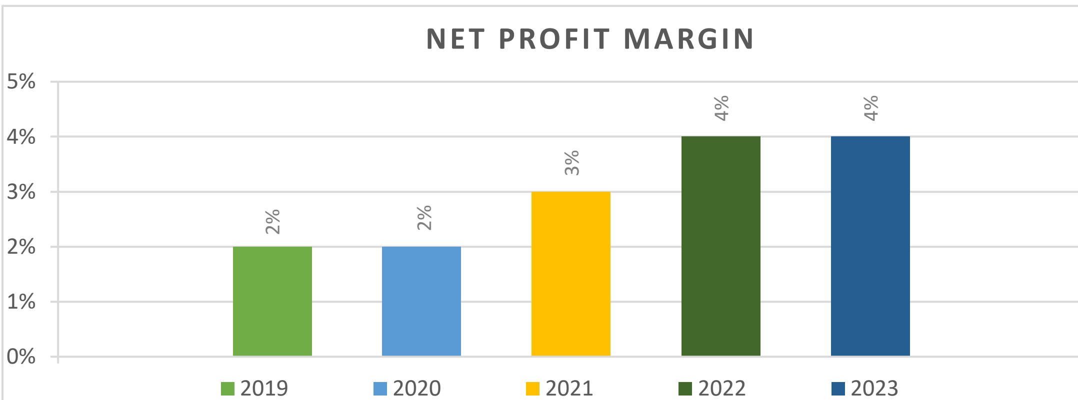
Hasan Automobiles may endeavor to increase its OPM ratio, which is now much lower than that of other businesses in the sector. After completing the required actions, businesses may concentrate on cutting operating expenses and raising OPM for the next year.

3.4.3 Net Profit Margin

The net profit margin of a business is the amount of money that remains after all expenses are covered. More money is available for common shareholders of a company with a higher net profit margin. The business may increase income by making prudent use of this money.

$$\text{Net Profit Margin} = \frac{\text{Net Profit}}{\text{Sales}}$$

Net Profit margin	
2019	2%
2020	2%
2021	3%
2022	4%
2023	4%



Interpretation:

According to the ratio analysis, Hasan Automobiles' performance is declining annually. By 2021, the NPM will have dropped by 3% from its 2020. The NPM increase to 4% in 2023, indicating a decline of Hasan Automobiles' value. With a net profit margin of 4%, the company keeps just 4 taka for itself and its shareholders out of every 100 taka of sales after all costs are paid. Source: (Hasan Automobiles, 2019-23).

Recommendations:

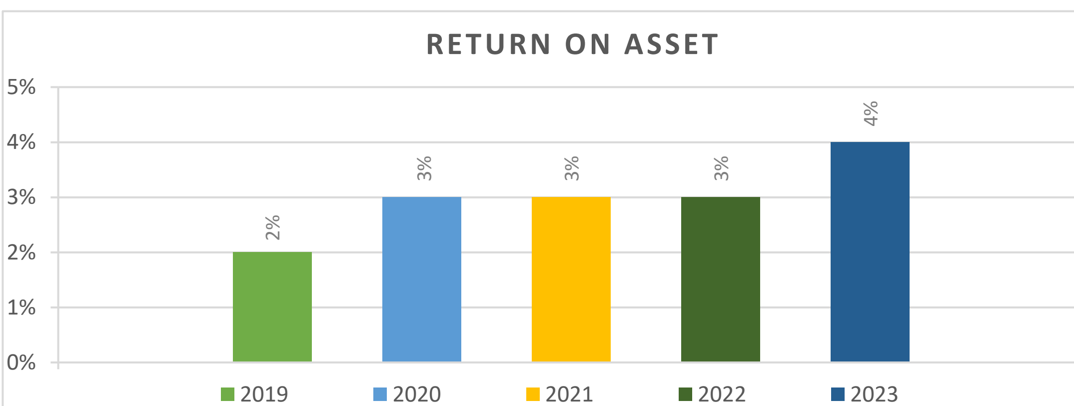
The production of Hasan Automobiles is becoming poorer every day. In an emergency, they want to concentrate right away on cutting costs, loans, COGS, and other expenses. If they don't, investors will stop backing this company. This strategy can help the business become more profitable and solidify its position.

3.4.4 Return on Asset

The efficiency with which a company uses an asset to turn a profit is gauged by its return on assets (ROA). It shows the possible profit margin a business may make from its assets. A higher ROA indicates the possibility for expansion of a company.

$$\boxed{\text{Return on Assets} = \frac{\text{Net Income}}{\text{Total Assets}}}$$

Return On Asset	
2019	2%
2020	3%
2021	3%
2022	3%
2023	4%



Interpretation:

The table and graphic demonstrate how the ROA has evolved over these five years. By 2021, the ROA is 3%, 2021. However, ROA will increase to 4% in 2023. For Hasan Automobiles, it may be viewed as a positive move. An elevated return on assets (ROA) signifies that Hasan Automobiles is optimizing its use of resources to produce revenue and profit. Source: (Hasan Automobiles, 2019-23).

Recommendations:

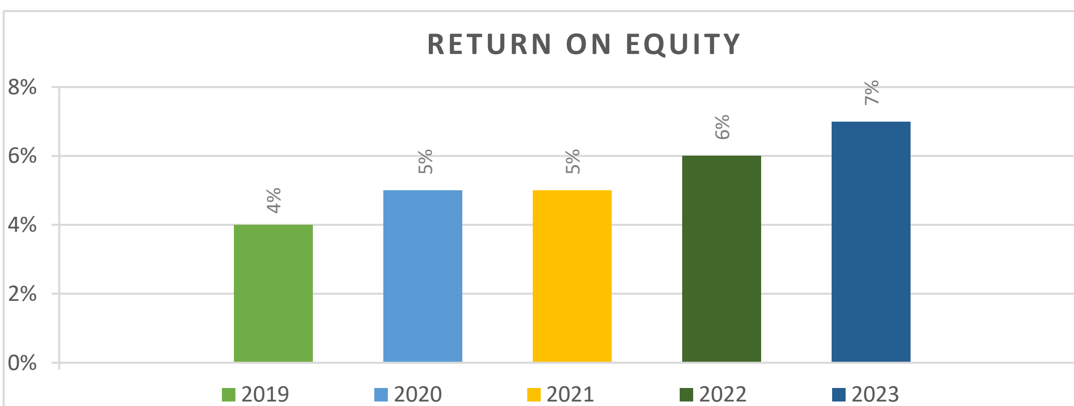
This year, Hasan Automobiles has seen tremendous success. If they want to maintain their high level of performance in the future, they must continue to use their resources wisely.

3.4.5 Return on Equity

The profitability of employing investors' capital is gauged by the return on equity. Before making an investment in a firm, investors consider ROE. because this ratio shows how efficient a corporation is.

$$\text{Return on Equity} = \frac{\text{Net Income}}{\text{Common Equity}}$$

Return On Equity	
2019	4%
2020	5%
2021	5%
2022	6%
2023	7%



Interpretation:

The ratio analysis demonstrates the outstanding performance of Hasan Automobiles as a whole. In 2023, ROE rises from 5% to 7%, much like ROA. This case illustrates the prudent management approach of Hasan Automobiles. With a 42% return on equity, Hasan Automobiles generated 7

Taka in net income on an initial investment of 100 Taka in owner capital. Source: (Hasan Automobiles, 2019-23).

Recommendations:

The ratio's findings demonstrated how well Hasan Automobiles manages the funds of its investors. In the long run, Hasan Automobiles ought to make an effort to keep its position.

3.5 Common Size Analysis

3.5.1 Common Size Analysis of Income Statement

Hasan Automobiles

Income Statements (Amount converted to millions)

Common Size Analysis

Particular	2019	%	2020	%	2021	%	2022	%	2023	%
Revenue	46378	100%	35079	100%	63949	100%	75681	100%	60374	100%
COGS	53073	62%	25423	62%	43515	62%	55146	65%	43022	65%
Gross Profit	35288	38%	15055	38%	25834	38%	25934	35%	22751	35%
Total Operating Expenses	74431	10%	4592	11%	7029	10%	9124	12%	7722	12%
Operating Profit	93687	25%	10403	27%	18745	28%	16750	23%	14968	23%
Net Finance Costs	2971	5%	2118	5%	1111	2%	4598	11%	7443	11%
Profit After Finance Costs	7311	11%	8834	22%	18183	26%	12691	12%	8064	12%
Non Operating Income/Expenses	79	1%	88	1%	511	1%	270	0%	201	0%
Profit Before WPPF & Tax	7698	23%	8706	21%	18695	27%	12362	12%	8236	12%
Contribution to WPPF	376	1%	416	1%	890	1%	617	1%	393	1%
Profit Before Tax	6566	18%	8340	20%	17705	25%	12435	12%	7673	12%
Income Tax Expenses	1872	1%	1065	3%	1413	2%	178	0%	46	0%
Profit After Tax	6596	16%	7264	18%	16492	23%	12166	12%	7926	12%

Interpretation:

The proportion of each item in the income statement relative to a base item is obtained through the common size analysis of the income statement. This approach aids in determining how well a company is doing relative to its rivals. Measuring has other benefits. how much of the total cost goes to each item and what proportion is left over after all expenses have been covered. A corporation may search for places where expenses may be cut if its earnings are dropping. The revenue of Hasan Automobiles increased until 2022, when it fell to 60374 Taka in 2023. COGS are virtually the same each year. Over the past four years, there hasn't been much of a shift in operating costs. However, in 2023, COGS and operational costs are greater. For the first two years, the income tax expenditure is 2% and 3%, respectively. It is zero in the next two years, which denotes a contented state of circumstances.

Lastly, during the past two years, profits after taxes have decreased. Only 12% of Hasan Automobiles' overall sales profit is anticipated in 2022 and 2023. Investors and customers are turned off by its gloomy portrayal of Hasan Automobiles. Source: (Hasan Automobiles, 2019-23).

3.5.2 Common Size Analysis of Balance Sheet

Hasan Automobiles

Balance Sheet (Amount converted to millions)

Common Size Analysis

Particular	2019	%	2020	%	2021	%	2022	%	2023	%
Assets										
Total Non-Current Assets	63617		64111	55%	67458	50%	72152	45%	78408	52%
Total Current Assets	58321		53916	45%	67890	50%	86414	55%	67530	48%
Total Assets	10550		116618	100%	16449	100%	144556	100%	139939	100%
Equity & Liabilities										
Total Shareholders Equity	68056		79853	69%	94789	70%	101384	64%	107124	72%
Total Non-Current Liabilities	4588		5338	5%	3956	3%	3408	2%	6604	4%
Total Current Liabilities	28560		30626	26%	36302	27%	54764	34%	38411	24%
Total Equity & Liabilities	10700		136018	100%	154449	100%	189556	100%	185939	100%

Interpretation:

According to the estimate, fixed assets will make up 50% of total assets in 2021, compared to 55% in 2020. They consequently sell a portion of their fixed assets. Similar circumstances as in 2022, with the exception that they increase their participation to 52% in 2023 by purchasing fixed assets.

Source: (Hasan Automobiles, 2019-23).

3.6 Trend Analysis

3.6.1Trend Analysis of Income Statement

Hasan Automobiles

Income statement (Amount converted to million)

Trend Analysis

Particular	2019	%	2020	%	2021	%	2022	%	2023	%
Revenue	40079	123%	47079	100%	69449	170%	81581	199%	66274	162%
COGS	21879	122%	25823	100%	43515	171%	55246	217%	43322	169%
Gross Profit	16337	122%	15755	100%	26634	169%	26434	169%	23751	149%
Total Operating Expenses	5875	123%	4952	100%	7189	152%	9194	197%	7982	167%
Operating Profit	10098	120%	11093	100%	18345	176%	17450	158%	13568	141%
Net Finance Costs	4754	122%	2178	100%	1161	54%	4678	215%	7403	346%
Profit After Finance Costs	7709	123%	8874	100%	18383	206%	12791	144%	8084	91%
Non-Operating Income/Expenses	143	123%	88	100%	571	581%	260	307%	201	228%
Profit Before WPPF & Tax	6466	120%	8546	100%	18595	214%	12862	148%	8296	95%
Contribution to WPPF	765	122%	436	100%	830	214%	637	148%	353	94%
Profit Before Tax	573	120%	8430	100%	17605	214%	12635	148%	7863	95%
Income Tax Expenses	1346	120%	1075	100%	1813	133%	168	17%	46	4%
Profit After Tax	4674	123%	7284	100%	16592	226%	12066	167%	7726	108%

Interpretation:

Trend analysis is one method that might help a business evaluate how it is performing in comparison to the market. The market determines a company's stock price based on its trends.

Data from various company components over a number of years is analyzed horizontally. It assessed an organization's productivity and well-being.

We can observe that Hasan Automobiles' sales have been rising over time, indicating that the company is expanding. As a result of rising sales, Hasan Automobiles is expanding over time. Nevertheless, the situation is unsatisfactory because the cost is increasing over time as well. However, if we examine it, we can see that the profit is also rising with time. It rises to 226% in 2021, showcasing Hasan Automobiles' luxurious performance. However, their earnings begin to decline significantly in 2023. People may find themselves in difficult circumstances as a result of these factors. To improve performance and lower risks, Hasan Automobiles should try to take the appropriate action. Source: (Hasan Automobiles, 2019-23).

3.6.2 Trend Analysis of Balance Sheet

Hasan Automobiles

Balance Sheet (Amount converted to million)

Trend Analysis

Particular	2019	%	2020	%	2021	%	2022	%	2023	%
Assets										
Total Non-Current Assets	65466	100%	64501	100%	67658	105%	72842	113%	73408	119%
Total Current Assets	55743	100%	51816	100%	68090	129%	86414	168%	68530	134%
Total Assets	106649	100%	116618	100%	13439	116%	159456	138%	144939	126%
Equity & Liabilities		100%								
Total Shareholders Equity	65853	100%	79853	100%	94689	118%	105384	127%	107124	130%
Total Non-Current Liabilities	4538	100%	5638	100%	3956	74%	3708	63%	6304	122%
Total Current Liabilities	28526	100%	30526	100%	36402	117%	54564	178%	38411	115%
Total Equity & Liabilities	106108	100%	116118	100%	138449	116%	157556	138%	144939	126%

Interpretation:

The data suggests that over these years, there has been a little growth on the asset side. The percentage of current assets rises faster than the percentage of fixed assets among them. Consequently, Hasan Automobiles has recently had higher cash or liquid assets. Even if it works well for daily tasks, this is not a particularly satisfying atmosphere over the long run. To increase profits, Hasan Automobiles must make the necessary investments and efficiently manage its assets.

On the other hand, shareholders' equity is rising, but not as much. If Hasan Automobiles wishes to see the company go any further, he needs to consider acquiring further shares. Liabilities show a decline in long-term debt and a rise in short-term debt. This implies that Hasan Automobiles is working to lower its obligations and settle its debts, which is advantageous for the business. We can see that Hasan Automobiles is making an effort to keep the business in a balanced position by looking at patterns in the income statement and balance sheet. However, companies must also improve their strategic planning and management methods in order to control their operations and market position. Source: (Hasan Automobiles, 2019-23).

CHAPTER-4

FINDINGS, RECOMMENDATIONS AND CONCLUSION

4.1 Findings

After financial analysis and during the internship program following problems were identified:

- The ratio research predicts that the average collection period will increase between 2019 and 2023. The average collecting period is 111 days in 2019 and 197 days in 2023. This implies that Hasan Automobiles is still getting paid by customers 197 days after the purchase.
- The EPS is declining between 2019 and 2023. A company's earnings per share can be used to determine how profitable its owners are. In 2023, EPS will drop from 45.87% in 2019 to 25.84%. EPS is still high in relation to comparable businesses. However, the past several years has not been good for the trend if we map it horizontally.
- Moreover, the percentage of gross profit margin is not sufficient. The GPM is 40% in 2019 and 35% in 2020. A company's GPM should be high as it must pay for operating costs in addition to VAT, TAX, and other related taxes. As a result, after subtracting all expenses, there is hardly any profit left over for a firm to grow.
- In comparison to others, the operational profit margin is likewise quite low. The fact that this company's earnings is declining horizontally year after year is equally concerning.
- Additionally, the net profit margin is not very satisfactory. Their net profit margin is really steadily declining. NPM will drop from 27% in 2019 to 12% in 2023.
- According to the trend study of the income statement, the profit decreased from 167% in 2023 to 108% in 2023. This can be the outcome of a badly managed organizational structure. The total quantity of current obligations also increased. This implies that the company is becoming more and more reliant on debt funding, which is seriously hurting its reputation.

4.2 Recommendations

- Getting its customers to make payments as quickly as possible should be Hasan Automobiles' first priority. In addition to having more money available for investments and ongoing running costs, businesses will be able to shorten their average collection time.

- To maintain a more solid market position, Hasan Automobiles has to lower its short- and long-term debt.
- To maintain a stronger position in the market, Hasan Automobiles must reduce its short- and long-term commitments.
- To improve its gross profit margin ratio, Hasan Automobiles should focus on reducing the cost of goods sold. The GPM of Hasan Automobiles is quite low as compared to other people. Therefore, their primary goal should be to increase earnings.
- The reduction of regular operational expenses, such power bills, should be Hasan Automobiles' top priority. They will benefit from a higher operating profit margin.
- To enhance performance and boost profit, they need ultimately implement a more effective management structure.

4.3 Conclusion

The financial operations and financial performance analysis of Hasan Automobiles for the years 2019–2023 are included in this report. I looked into Hasan Automobiles' operational, profitability, and liquidity factors in an effort to assess the financial performance. Before investing, everyone should, in my opinion, be aware of the company's performance, share position, and earnings per share. Since it may be used to pinpoint opportunities as well as areas of strength and weakness, evaluating an organization's financial performance is crucial. If the company can use performance analysis to pinpoint the issue this time, it will be able to take action, grow its business going forward, and boost Bangladesh's GDP. According to the financial documents, Hasan Automobiles has been making money.

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Hasan Automobiles
Balance Sheet
As on December 31, 2019-2023

Particulars	2023	2022	2021	2020	2019
Property, plant and equipment	30,623,781.00	31,319,003.00	34,148,510.00	37,250,007.00	40,653,118.00
Total Non-current assets	**30,623,781.00**	**31,319,003.00**	**34,148,510.00**	**37,250,007.00**	**40,653,118.00**
Inventories	4,438,041.00	5,406,951.00	6,421,391.00	7,115,831.00	7,804,711.00
Trade and other receivables	182,724.00	175,733.00	249,110.00	344,436.00	250,977.00
Advances, deposits and prepayments	8,476,979.00	8,751,660.00	8,802,729.00	16,734,445.00	17,079,604.00
Investment In FDR	8,098,598.00	-	-	-	-
Cash and cash equivalents	4,540,348.00	8,568,332.00	4,320,167.00	2,803,230.00	4,830,874.00
Total Current assets	**25,736,690.00**	**22,902,676.00**	**19,793,397.00**	**26,997,942.00**	**29,966,166.00**
Total assets	**56,360,470.00**	**54,221,678.00**	**53,941,907.00**	**64,247,949.00**	**70,619,284.00**
Stated capital	43,260,130.00	43,260,130.00	43,260,130.00	43,260,130.00	43,260,130.00
General reserve	9,944,188.00	9,944,188.00	9,944,188.00	9,944,188.00	9,944,188.00
Retained Earnings	-28,200,671.00	-29,226,130.00	-30,137,092.00	-30,419,859.00	-27,585,315.00
Tax holiday reserve	6,583,979.00	6,583,979.00	6,583,979.00	6,583,979.00	6,583,979.00
Equity attributable to owners of the company	**31,587,626.00**	**30,562,167.00**	**29,651,205.00**	**29,368,438.00**	**32,202,982.00**
Total equity	**31,587,626.00**	**30,562,167.00**	**29,651,205.00**	**29,368,438.00**	**32,202,982.00**
Long Term Borrowings/Loan	701,000.00	701,000.00	701,000.00	701,000.00	1,332,377.00
Defferred Tax Liabilities	5,452,199.00	5,347,342.00	5,675,752.00	6,668,067.00	7,168,291.00
Temporary Loan	-	-	-	-	-
Total Non-current liabilities	**6,153,199.00**	**6,048,342.00**	**6,376,752.00**	**7,369,067.00**	**8,500,668.00**
Other current liabilities	2,380,238.00	3,911,636.00	3,975,397.00	8,727,718.00	6,720,870.00
Bank overdrafts	-	-	1,584,496.00	6,006,002.00	4,196,182.00
Current portion of lease obligation/ Finance	-	-	-	874,913.00	1,388,208.00
Liabilities for Expenses	9,148,828.00	5,875,099.00	4,769,426.00	4,187,901.00	7,990,921.00
Provision for Tax Liabilities/ Current Tax Liability	3,233,215.00	3,479,945.00	3,300,950.00	7,713,910.00	9,619,453.00
Unclaimed Dividend	3,857,363.00	4,344,489.00	4,283,682.00	-	-
Total Current liabilities	**18,619,644.00**	**17,611,169.00**	**17,913,951.00**	**27,510,444.00**	**29,915,634.00**
Total equity and liabilities	**56,360,469.00**	**54,221,678.00**	**53,941,907.00**	**64,247,949.00**	**70,619,284.00**
Net Asset Value (NAV)	7.3	7.06	6.85	6.79	7.44

These financial statements should be read in cinjunction with the annexed notes

Director

Date

Managing Director

Hasan Automobiles
Income Statement
For the Year Ended December 31, 2019-2023

Particulars	2023	2022	2021	2020	2019
Turnover	**64,778,671.00**	**51,778,747.00**	**50,024,164.00**	**71,829,900.00**	**96,651,994.00**
Cost of sales	59,375,871.00	46,436,096.00	45,459,583.00	65,679,740.00	83,318,200.00
Gross profit	**5,402,800.00**	**5,342,651.00**	**4,564,581.00**	**6,150,160.00**	**13,333,794.00**
Operating expenses	1,627,012.00	1,481,196.00	1,564,995.00	2,664,133.00	3,627,079.00
Administrative expenses	1,627,012.00	1,481,196.00	1,564,995.00	2,664,133.00	3,627,079.00
Operating profit	**3,775,788.00**	**3,861,455.00**	**2,999,586.00**	**3,486,027.00**	**9,706,715.00**
Other Income/Miscellaneous Income	137,248.00	-	-	-	-
Finance costs	22,320.00	29,851.00	387,858.00	405,095.00	865,587.00
Profit before contribution to workers' profit participation fund	3,890,716.00	3,831,604.00	2,611,728.00	3,080,932.00	8,841,128.00
Contribution to workers' profit participation fund	185,272.00	182,457.00	124,368.00	146,711.00	421,006.00
Profit before taxation	**3,705,444.00**	**3,649,147.00**	**2,487,360.00**	**2,934,221.00**	**8,420,122.00**
Income tax expense	1,469,678.00	1,856,288.00	906,790.00	1,442,751.00	1,813,382.00
Current Tax	1,364,821.00	1,856,288.00	-	-	-2,105,030.00
Deferred Tax	104,857.00	-	-	-	291,648.00
Profit after tax	**2,235,767.00**	**1,792,860.00**	**1,580,571.00**	**1,491,469.00**	**6,606,741.00**
Earnings Per Share (EPS)	**0.52**	**0.49**	**0.37**	**0.34**	**1.53**

These financial statements should be read in cinjunction with the annexed notes.

Director

Date

Managing Director

Khusy Akther 201-11-6486

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