

**Internship Report**  
**On**  
**“Marketing Strategy of Minister Hi-Tech Park Ltd.”**

**Prepared For :**

**Professor Dr. Masudur Rahman**  
MBA (Manchester), Ph.D (Wales, UK)  
Department of Business Administration  
Daffodil International University

**Prepared By :**

**A.S.M. Shahinur Rahman**  
ID: 153-14-1935  
Batch: 42<sup>nd</sup>  
Major- Marketing  
Program- MBA  
Department of Business Administration  
Daffodil International University



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# Letter of Transmittal

January 05, 2019

**Professor Dr. Masudur Rahman**  
MBA (Manchester), Ph.D (Wales, UK)  
Department of Business Administration  
Daffodil International University

**Subject: Submission of Internship Report on “Marketing Strategy of Minister Hi-Tech Park Ltd.”**

Respected Sir,

It is a matter of immense pleasure to submit my internship report, On “Marketing Strategy of Minister Hi-Tech Park Ltd.” which I have prepared as a partial requirement for the completion of MBA program of DIU. The internship period has helped me to experience real world business activity.

I gratefully acknowledge your assigning me this topic to work on and your guidance in completing the report. Working on this report has not only helped me to know many aspects of Minister Hi-Tech Park Ltd. but also helped to apply the class-room learnt theories in real life. I also thank you for your valuable suggestions and supports.

Thanking with regards

.....  
**A.S.M. Shahinur Rahman**  
ID: 153-14-1935  
MBA Program  
Major in Marketing  
Department of Business Administration

# Declaration

I, am A.S.M. Shahinur Rahman, hereby declare that the internship work on “Marketing Strategy of Minister Hi-Tech Park Ltd” A Study on this company is uniquely prepared by me after the completion of three months internship at minister Hi Tech Park and My one Electronics LTD Branch. I confirm that, the report is only prepared for my academic requirement not for otherwise purpose. The work I have presented dose not any existing copyright and no portion of this report is copied from any work done earlier for a degree or otherwise.

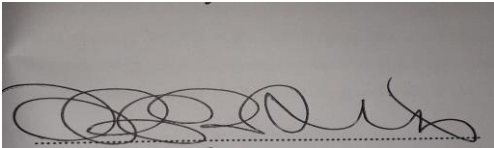
I am also declaring that this study was not submitted for any degree or title recognition before me.

.....

A.S.M. Shahinur Rahman  
ID: 153-14-1935  
MBA Program  
Major in Marketing  
Department of Business Administration

# Certificate of Approval

This is to certify that the Internship Report on “Marketing Strategy of Minister Hi-Tech Park Ltd.” has been submitted by **A.S.M. Shahinur Rahman** bearing ID: 153-14-1935 Department of Business Administration Faculty of Business and Economics after the completion of internship program under my supervision. He is permitted to submit the Internship report.



.....

Professor Dr. Masudur Rahman  
Department of Business Administration  
Daffodil International University

# Acknowledgement

First of all, I would like to express my deep gratitude to Allah the Almighty for giving me the opportunity to successfully complete the internship report.

I would like to thank and convey my gratitude to my internship **Advisor, Professor Dr. Masudur Rahman** for providing me continuous support and guideline to prepare a collaborative formal report. I would also like to express my sincere appreciation to him for his wholehearted support and guidance.

I would like to thank all the officials of Minister Hi-Tech Park Ltd. for their cooperation especially, I'm grateful to Mr. Rafiqul Islam Liton, GM (Minister Hi-Tech Park Ltd.) and Mr. Shaharir Kabir, Executive Director (Minister Hi-Tech Park Ltd).

I'm also very grateful to the officials of Minister Hi-Tech Park Ltd.

-----  
A.S.M. Shahinur Rahman

# Executive Summery

The work is originated in result of my internship, which I have done, as a requirement of MBA program. This report is done based on my three months internship in Minister Hi-Tech Park Ltd. During my stay at the office as an internee as well as employee I never felt vague and ambiguous. The environment of the Minister Hi-Tech Park Ltd. is well and friendly. The staffs and Colleagues are specialized in their respective fields. Each of them works on their own and there id supervised from the top management. The motivation of the staff, I believe comes from the very sense of responsibility. Minister Hi-Tech Park Ltd. is the largest Electronics Company of Bangladesh. Minister Hi- Tech Park Ltd. follows the rules and regulation prescribed by the Bangladesh Government.

The Introductory part starts with overviews of the Electronics industry in Bangladesh as well as the organization Minister Hi-Tech Park Ltd. itself. I have discussed on various points but actually focus on objective of the study and Shedding some light on the organization's background. The Second part of this report, I have discussed profile of the organization. In this chapter I have discussed on various points but focuses on historical background, marketing strategy, mission, vision, objectives, and SWOT of Minister Hi-Tech Park Ltd. The Third part of this report, I have discussed on conceptual framework.

In this report I mention the findings of my study and describe the recommendations. Some major findings and recommendations are:

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## **CHAPTER- 1. INTRODUCTION**

### **1.1 Introduction of the Report:**

Masters of Business Administration (MBA) program consists of integrated theoretical and practical method of teaching. In fact practical orientation with day-to-day activities of an organization is one of the most important requirements of MBA program. As I am Working in Minister Hi-Tech park Ltd. as an Sales and marketing Executive so I have to submit my working Experiences Through this paper. I Learn Lots of things which will help me to improve my theoretical studies in real life. The paper will deal with the “Performance Analysis”. On the basis of working experience .I have prepared this report and I have tried my best to relate the theoretical knowledge with the practical work situation.

Minister hi-tech park Limited is the fastest growing electronics company in Bangladesh. It is a latest technology based company in our country. The company also realized the value of local brand and has established it in the heart of the common people of the country. From the very beginning, the highest level of quality, after sales service, customer satisfaction, speedy channel distribution, strong dealer network, modern show-room management and maximum employee satisfaction also maximize our credibility to the country’s people. The company’s journey is full of mixed experiences, with a lot of great memories and barriers as well.

### **1.2 Objectives of this Report:**

The main objective of the Report understand the performance evaluation of the Minister Hi –Tech Park and myone electronics Ltd. Under a broad objective the study focused on some several activities for comprehending an overall review.

1. To analyze the activities of Minister Hi –Tech Park and myone electronics Ltd.
2. To analyze credit policy of the Minister Hi –Tech Park and myone electronics Ltd.
3. To evaluate the overall performance of Minister Hi –Tech Park and myone electronics Ltd from year 2013 to year 2017.
4. To identify the problems of Minister Hi –Tech Park and myone electronics Ltd.
5. To provide some suggestions to solve those problems.

### **Primary sources of data:**

Primary data will be collected from my personal experiences and help of my colleagues to find out how the company is financially performing and their personal view about the future performance of the company or whether they will be able to cover up the lacking we are facing now.

### **Secondary sources of data:**

As secondary data source, Website of Minister Hi –Tech Park and myone electronics Ltd., Balance sheet of 2013 - 2017 and other related Documents would be used have a comprehensive picture of the financial outlook of the company.

### **1.4 Limitations of the Report:**

I have been Working Here about 1.5 Year so I can't give sufficient information about this company through I have been received maximum assistance from the every individual of the Minister Hi –Tech Park Ltd.

This Report is likely to have following the limitation:

## **CHAPTER-2. ORGANIZATIONAL PART**

- **2.1 Historical Background of Minister Hi –Tech Park and myone electronics Ltd.**



The major problems of Bangladeshi electrical sector are under invoicing during import of finished electrical products, lack of advanced technological and technical knowledge,

absence of IP protection mechanism in action, lack of infrastructure to enter into the export market with electrical goods, and quality flexibilities on imported poor quality products etc. There also recommend some actions for keeping this sector competitive export market. Government has to play active role to make it one of the fastest growing and large export earning sector of Bangladesh.

(Joyna I Abedin and MujiburRahman, SSRN Electronic journal, May 2012, Dhaka Chamber of Commerce & Industries (DCCI). Bangladesh started electronics in the field of communication in 1930s. After British colonialism, electronics industry made an inception in private sector. During 1964, after the establishment of TV station in Dhaka some of electronics plants started assembling TV sets. After the year 2000 electronic industry created a revolutionary change in Bangladesh. Walton, Minister, My One, Marcel, Vision, LK, Swan etc. are poisoning their market tremendously.

Minister Hi Tech Park Limited is one of the fastest growing electronics Industry in Bangladesh. The firm believes local brand can go to the heart of the common people. And the value of the local brand is immense. The concept behind the Brand Equity Model is simple: in order to build a strong brand, you must shape how customers think and feel about your product. You have to build the right type of experiences around your brand, so that customers have specific, positive thoughts, feelings, beliefs, opinions, and perceptions about it. When company will have strong brand equity, its customers will buy more from the company. The customer will recommend company to other people, they're more loyal, and you're less likely to lose them to competitors. This paper presents a conceptual framework in the form of (Perceived Quality, brand awareness, brand association, brand affection, brand Loyalty, Brand Competitiveness) framework for building competitiveness that is based comprehensive review of the existing literatures. An attempt has been made in the discussion section to discuss the managerial implications of the concept present this paper Minister Company's main focus is on the livelihood of the people of our country. In this modern digital world without electronics goods it is impossible to maintain a standard life. Our country's growth is increasing day by day. Considering the importance, Minister Brand wants to recognize as the best local brand.

Today's globalized world is changing day by day. To cope up with the current world there is no alternative to change the speed. Producing and supplying better quality product at a reasonable price the Minister Brand is working with its employees raising brand

awareness, association, Superiority, Affection, and Resonance. By raising brand awareness, association, Superiority, Affection, and Resonance Minister Hi-tech Park Limited can achieve competitive advantage. To do so the company wants the highest growth with creativity and innovation. The firm is also conscious to address social, economic and environmental justice. So Minister Brand will have to ensure customers identification properly so that the brand can be renowned with a specific product, class or need. Minister is very easy to spell to remain in the mind of customer. Ministers brand devotion is to the highest level of success in creating opportunities that forcing us to the track of ambition.

Internet TV, Refrigerator, AC, Fan, Iron, Rice cooker, Induction Chula, Gas burner, Toaster, Blender, washing machine, sandwich Maker, Micro Oven, Fry Pan, Crockery are our product line and many more products are in the pipeline to be introducing gradually. Minister Brand is always considering the purchasing power of the common people and developing their design in the highest level of ethical standard. Minister is always ready to welcome latest technology in the industry and extremely care for their valued customers The company's dream is to export their electronics goods all over the world and to provide ECO friendly goods and to implement the highest standard of corporate and social responsibilities.

## **2.2 Mission of Minister Hi-Tech Park Ltd.:**

- To provide reliable and durable products and service solutions to meet the changing needs of day to day lifestyle requirement of customers.

## **2.3 Products of Minister Hi-Tech Park and Myone Electronics LTD:**

Major Products of Minister Hi-Tech Park and Myone Electronics LTD:

### **1. Refrigerator:**

- Freezer
- Refrigerator

### **2. Television:**

- LED TV
- Smart LED TV

- CRT TV

### 3. Home Appliances:

- Washing Machine
- Rice Cooker
- Sandwich maker
- Blender
- Fry pan
- Oven
- Gas Burner
- Iron

### 4. Fan:

- Table Fan
- Ceiling fan

### 6. Air Conditions

#### Images of products:



## **2.4 All types of sales of Minister Hi-Tech Park LTD:**

There are several types of selling departments in Minister Company via showroom.

### **Corporate sale**

For sale to corporate office Minister Hi-Tech park and Myone Electronics Ltd introducing this department. Only corporate or corporate people can purchase product from there.

### **Online sale**

The person who have n time to purchase product from showrooms or who like online shopping they purchase product via online selling. They can payment via visa card, master card etc.

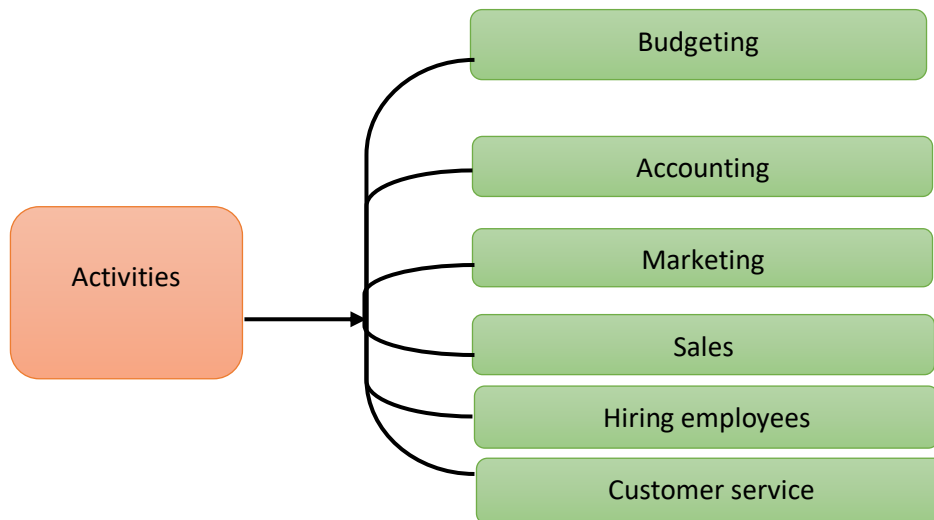
There are several option of collection of payment. When products are delivering to the corporate client a bill is submitted to the client. Client received bill copy. After receive bill client may give cash for product or may give check. Customer gives it as their own interest. Whatever the payment will paid Minister Hi-Tech Park and Myone Electronics Ltd give document as they receive the payment.

Sometimes corporate purchase huge amount of product for their any type of purposes. So they need EMI or monthly installment in their payment system. Minister Hi-Tech Park and Myone Electronics Ltd give this type of payment system. Minister Company and corporate client make an agreement for this lending procedure. After completing this agreement, corporate client are able to payment as EMI in every month by check. Sometimes they take produce for day credit system.

## CHAPTER-3. ACTIVITIES OF MINISTER HI-TECH PARK MYONE ELECTRONICS LTD

### 3.1 Activities of Minister Hi –tech park and Myone Electronics:

- Managing & maintaining the image of all the brands under the umbrella of Minister Hi-Tech park Ltd. as per agreed terms & conditions of the Management and associated brand owners.



#### **Accounting:**

Through the accounting process Minister Hi-Tech park Ltd. manage the flow of money in and out of the company. Areas that come under the accounting group are accounts payable, accounts receivable, payroll, customer credit accounts, collections and tax accounting.

#### **Marketing:**

The marketing group of Minister Hi-Tech park Ltd. develops comprehensive marketing plans that use sales projections to help determine the best way to use company resources to gain more exposure for the organization and its products.

**Sales:**

The sales group of the Minister Hi-Tech park Ltd. maintains direct contact with the customer and Showroom Based. The sales group reaches out to prospects to help expand the customer base while also maintaining relationships with existing clients to secure repeat sales.

**Hiring Employees:**

The human resources of Minister Hi-Tech park Ltd. is important to maintaining current operations as well as planning for future expansion. So Minister Hi-Tech park actively search out qualified candidates whose qualifications match current available positions, or who can be kept available should a personnel need arise.

**Customer Service:**

Minister Hi-Tech park Ltd. maintains corporate revenue by resolving customer issues and preserving the buying relationship. The customer service group does not proactively seek to expand the company's revenue base by providing solutions to customers. The customer service department is who the customer calls when they have a shipping, product or billing issue.

**3.2 MEASURING CUSTOMER BASED BRAND EQUITY:**

Customer-based brand equity has been defined as the differential effect of brand knowledge on consumer response to the marketing of the brand (Kamakura and Russell, 1991).

The factory is situated at Gazipur and the second one is at Mymensingh. The quality of the product is very attractive. So this feedback will aid in identifying product performance problems, identifying advertising, positioning problems, and providing feedback to the firm's employees on where improvements need to be made.

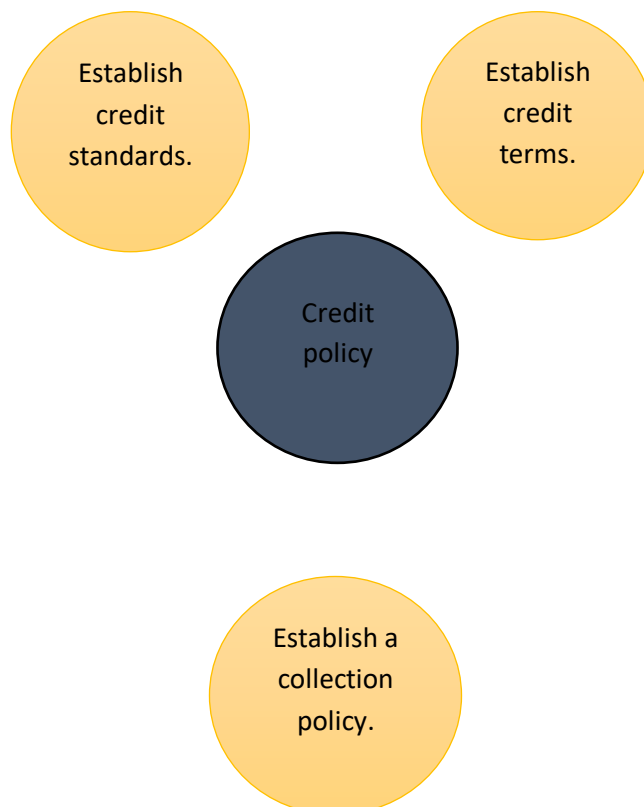


## CHAPTER-4. CREDIT POLICY OF MINISTER HI-TECH PARK AND MYONE ELECTRONICS

### 4.1 Credit policy of Minister Hi-Tech Park And Myone Electronics Ltd:

To establish a credit policy, a company must establish credit standards, credit terms, and a collection policy. To establish a credit policy Minister Hi-Tech park and Myone Electronics Ltd also follow this steps.

- First of all Management of the Minister Hi-Tech park Ltd decide on credit standards, which involves decisions on how much credit risk to assume.
- Minister Hi-Tech Park Ltd. evaluate the credit worthiness of an individual or business to determine the credit standards.
- After establishing credit standards, Minister Hi-Tech Park Ltd decide on the length of the period before payment must be made.
- At last the Minister Hi-Tech Park Ltd establish a collection policy.



Management decides on credit standards, which involves decisions on how much credit risk to assume. These decisions play a large role in determining how much money the company ties up in its receivables. A restrictive policy will most likely result in lower sales, but the company will have a smaller investment in receivables and incur less bad-debt losses.

Payment must be made and whether or not they will offer a discount for early payments. If a discount is offered, the amount of the discount must also be determined. Minister Hi-Tech Park Ltd make different types of discount. Some common types of discounts are following:

- Prompt payment discount.
- Preferred payment discount (such as cash over credit card).
- Partial payment discount.
- Seasonal discount (for orders placed in a slack period for example).
- Trade discount (usually given when the buyer agrees to perform some function).
- Quantity discount.

Finally, Minister Hi-Tech Park and Myone Electronics Ltd establish a collection policy. Collection policies vary widely among industries. Some companies do nothing when their customers don't pay. Others send out a reminder notifying customers that their payment is late. Some companies may even take legal action at the first late payment.

Minister Hi-Tech Park and Myone Electronics Ltd use different methods to collect their outstanding receivables, like sending out reminders or inform by mail, fax, or phone. Sometimes dealing with direct face to face. Minister Hi-Tech Park and Myone Electronics Ltd evaluate credit policy through the receivable turnover ratio.

### **Collection policy & process:**

There is several option of collection of payment. When products are delivering to the corporate client a bill is submitted to the client. Client received bill copy. After receive bill client may give cash for product or may give check. Customer gives it as their own interest. Whatever the payment will paid Minister Hi-Tech Park and Myone Electronics Ltd give document as they receive the payment.

**Lending procedures:**

Sometimes corporate purchase huge amount of product for their any type of purposes. So they need EMI or monthly installment in their payment system. Minister Hi-Tech Park and Myone Electronics Ltd give this type of payment system. Minister Hi-Tech Park and Myone Electronics Ltd and corporate client make an agreement for this lending procedure. After completing this agreement, corporate client are able to payment as EMI in every month by check. Sometimes they take produce for day credit system.

## **5.1 Financial Analysis**

Financial analysis is the process of determining the significant operating and financial characteristics of a firm from accounting data and financial statements. The goal of such analysis is to determine the efficiency and performance of the firm's management, as reflected in the financial records and reports. The analyst is attempting to measure the firm's liquidity, profitability, and other indications that business is conducted in a rational and orderly way. If a firm does not achieve financial norms for its industry or relationships among data that seem reasonable, the analysts note the deviations. The burden of explaining the apparent problems may then be placed upon management.

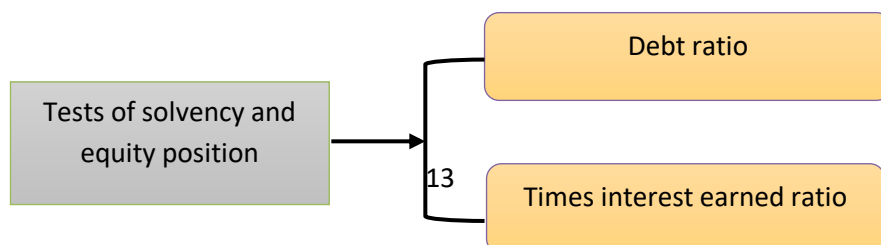
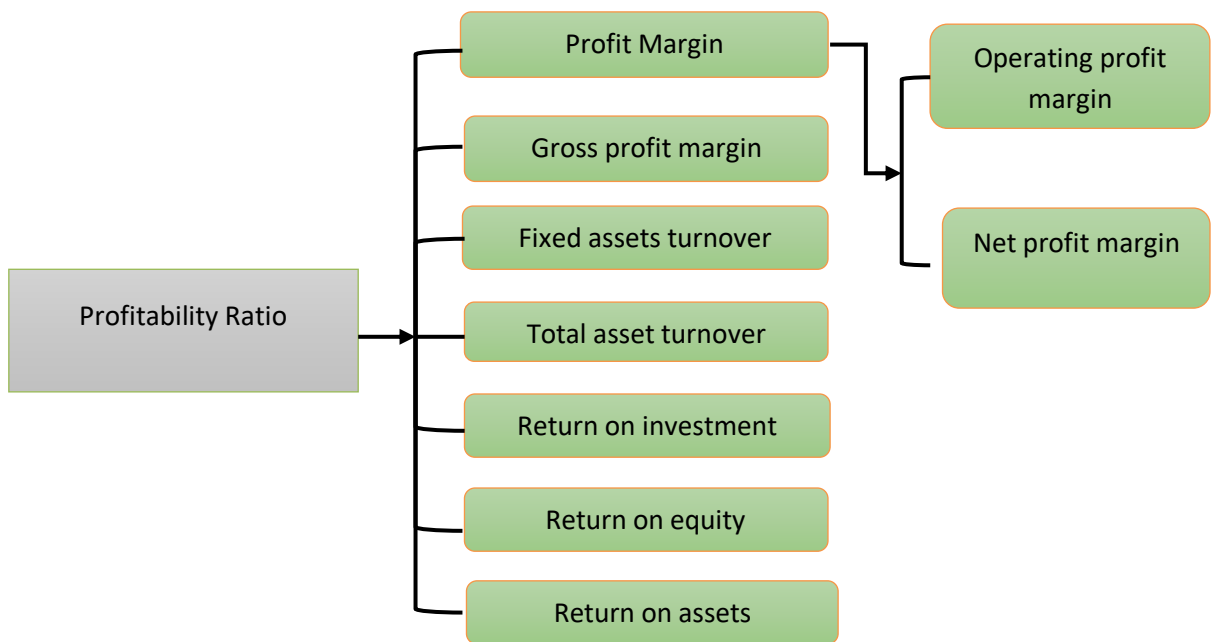
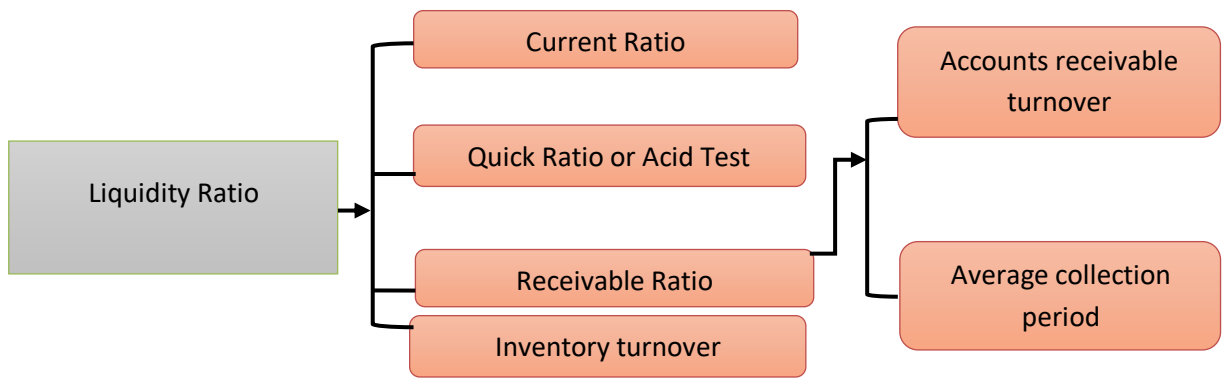
## **5.2 Financial Ratios**

A ratio may be defined as a fixed relationship in degree or number between two numbers. In finance, ratios are used to point out relationships that are not obvious from the raw data.

**Liquidity Ratios:** These examine the adequacy of funds, the solvency of the firm, and the firm's ability to pay its obligations when due.

**Profitability Ratios:** These measure the efficiency of the firm's activities and its ability to generate profits.

**Tests of solvency and equity position:** It measures the ability of the firm's to meet its long-term obligation



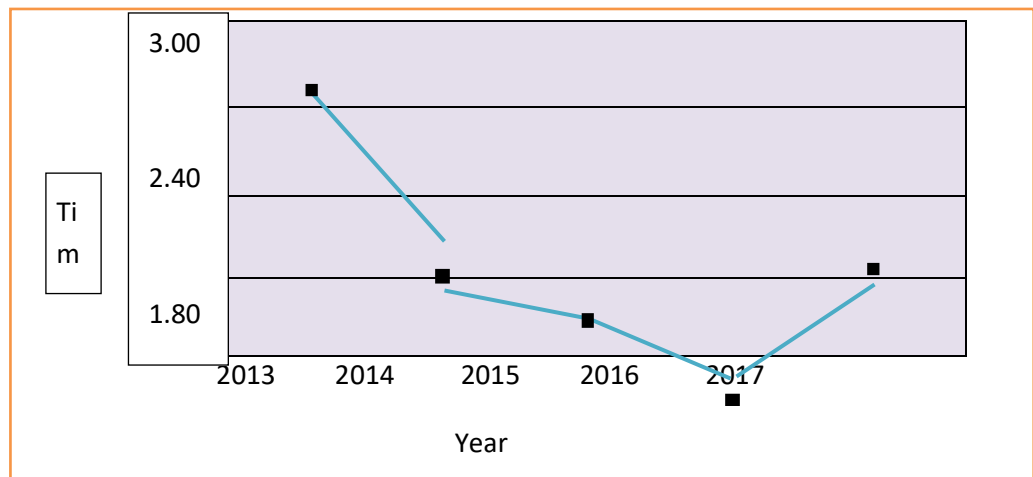
## Liquidity Ratio

### **5.2.1 Current Ratio:**

As a general rule, a 2/1 ratio is considered acceptable for most firms.

$$\text{Current ratio} = \frac{\text{Current Assets}}{\text{Current Liability}}$$

| Year | 2013   | 2014   | 2015   | 2016   | 2017   |
|------|--------|--------|--------|--------|--------|
| CA   | 173961 | 186030 | 190803 | 207747 | 177822 |
| CL   | 64503  | 118924 | 138465 | 222229 | 129093 |
| CR   | 2.70   | 1.56   | 1.38   | 0.93   | 1.38   |



### **Comments:**

From the above analysis, I found that the current ratio of Minister Hi-Tech Park and Myone Electronics Ltd was 1.38 in 2017, which is less than 2/1 guideline. It means

Minister Hi-Tech Park and Myone Electronics Ltd is not able to meet its current obligations or future bill payments on time. In 2014, 2015 and 2016 the current ratio was 1.56, 1.38 and 0.93 it also means that the Minister Hi-Tech Park and Myone Electronics Ltd was not able to meet its current obligations or future bill payments. But in 2013 the current ratio was 2.70 which is greater than the 2/1 guideline. It means, Minister Hi-Tech Park and Myone Electronics Ltd

was able to meet its current obligations or future bills payments on time.

**5.2.2 Quick Ratio or Acid Test:**

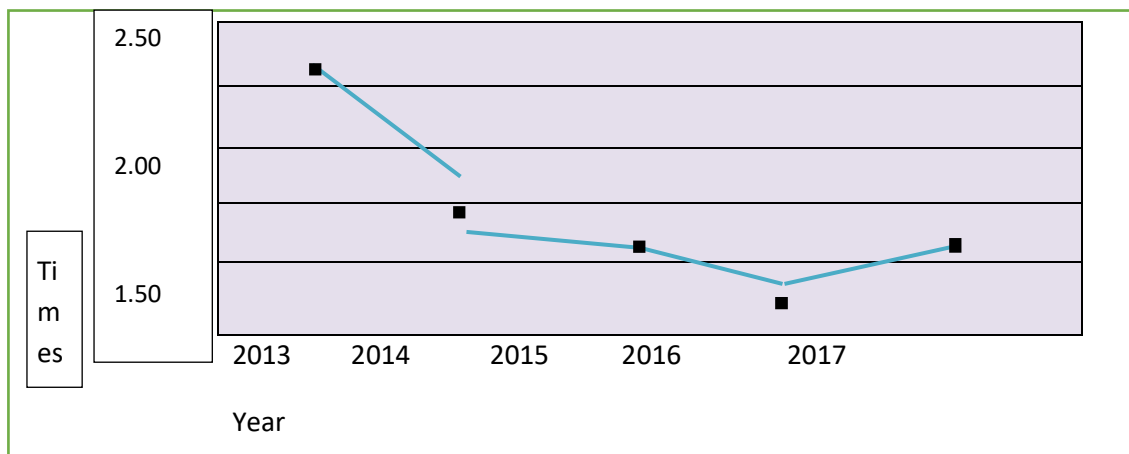
As a guideline, a 1/1 quick ratio has traditionally been deemed adequate for most firms.

$$\frac{\text{Cash + marketable securities + accounts receivable}}{\text{Current liabilities}}$$

Or,

$$\frac{\text{Current assets - inventories}}{\text{Current liabilities}}$$

| Year         | 2013   | 2014   | 2015   | 2016   | 2017   |
|--------------|--------|--------|--------|--------|--------|
| CA-Inventory | 154822 | 173644 | 176285 | 192138 | 161670 |
| CL           | 64503  | 118924 | 138465 | 222229 | 129093 |
| QR           | 2.4    | 1.46   | 1.27   | 0.86   | 1.25   |



**Comments:**

Acid test ratio of the company was 0.86 in 2016, which was less than the 1/1 standard. This low ratio is usually an indication of possible difficulties in the prompt payment of

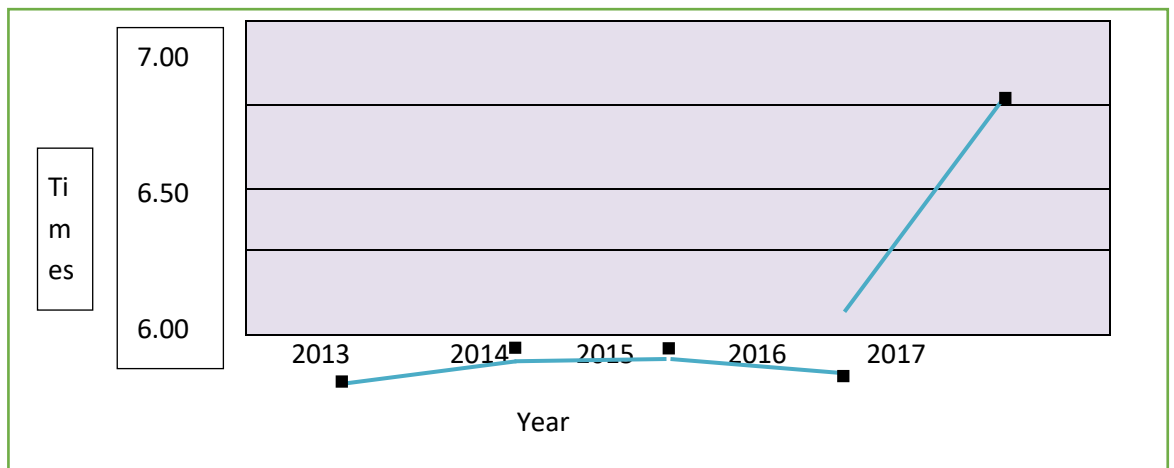
future bills. This quick ratio was greater than 1 for the other four years. That means the company had excessive cash or receivables and ensuring sufficient liquidity in those four years.

**5.2.3 Accounts receivable turnover:**

The accounts receivable turnover is a comparison of the size of the firm's sales and the size of its uncollected bills from customers.

$$\frac{\text{Sales}}{\text{Accounts receivable}}$$

| Year                | 2013   | 2014   | 2015   | 2016   | 2017   |
|---------------------|--------|--------|--------|--------|--------|
| Sales               | 589117 | 554069 | 605581 | 653184 | 616840 |
| AR                  | 112294 | 104837 | 114976 | 124596 | 91935  |
| Receivable turnover | 5.25   | 5.29   | 5.27   | 5.24   | 6.71   |



**Comments:**

From the above analysis, I found that the receivable turnover is moving (up-down) very shortly. It means that Minister Hi-Tech Park and Myone Electronics Ltd has a strict credit



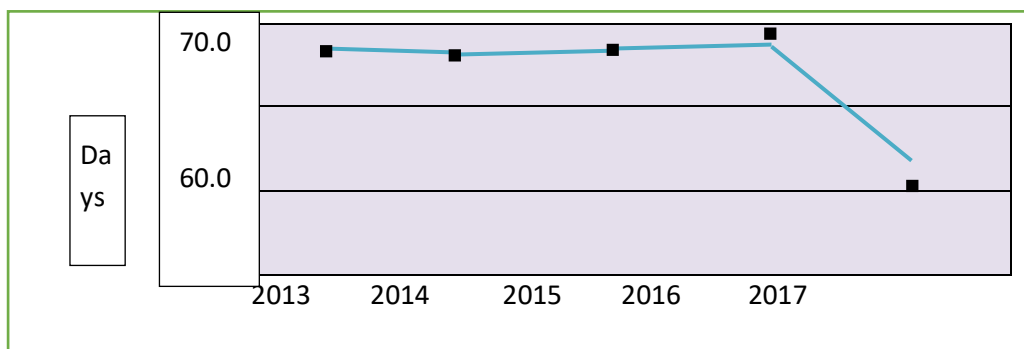
policy and aggressive collection procedures. They were able to decrease the size of its uncollected bills from customer. Between 2014 and 2015 the receivable turnover dropped from 5.29 times to 5.27 times. Again between 2015 and 2016 the receivable turnover dropped from 5.27 times to 5.24 times. From this information, I can say that the firm faced difficulty to collect its receivable during 2015 and 2016. But in 2017, they were overcome this circumstances.

**5.2.4 Average collection period:**

The average collection period compares the receivables balance with the daily sales required to produce the balance.

$$\frac{\text{Accounts receivable}}{\text{Daily sales}}$$

| Year                   | 2013     | 2014     | 2015     | 2016   | 2017     |
|------------------------|----------|----------|----------|--------|----------|
| Receivable             | 112294   | 104837   | 114976   | 124596 | 91935    |
| Avg. sales per day     | 1636.436 | 1539.081 | 1682.169 | 1814.4 | 1713.444 |
| Avg. collection period | 68.62    | 68.11    | 68.35    | 68.67  | 53.66    |



**Comments:**

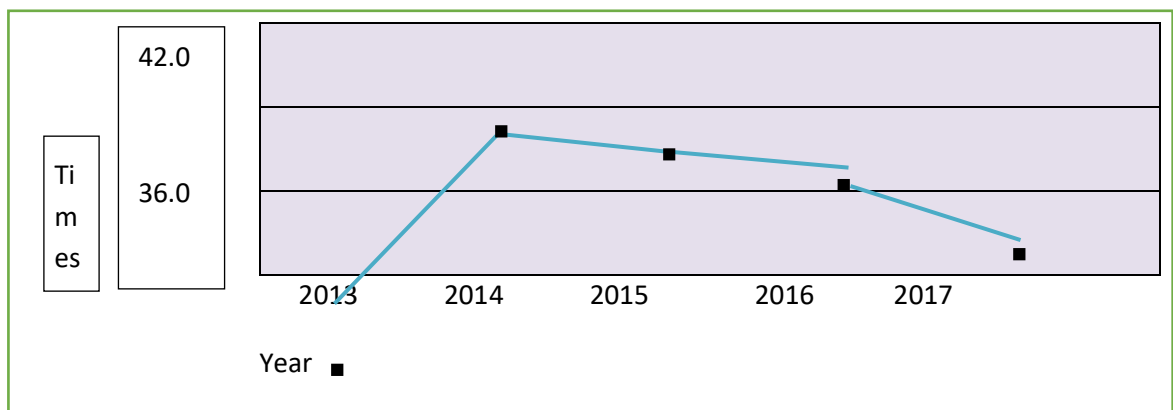
From the above analysis, I can see that the average collection period of Minister Hi-Tech Park and Myone Electronics Ltd has been moved over the period. Finally in 2017 the

average collection period of Minister Hi-Tech Park and Myone Electronics Ltd has been decreased over the period. It indicates that the management is becoming more efficient about collecting their receivables from the customers. But they have to improve more, because Minister Hi-Tech Park and Myone Electronics Ltd has the policy to collect the bills in 45 days. So, they need to more efficient to meet the policy of 45 days.

**5.2.5 Inventory turnover:**

The significance of inventory turnover is that it helps the analyst measure the adequacy of goods available to sell compared to the actual sales.

| Year               | 2013   | 2014   | 2015   | 2016   | 2017   |
|--------------------|--------|--------|--------|--------|--------|
| COGS               | 477248 | 457609 | 493749 | 522086 | 489257 |
| Inventory          | 19139  | 12386  | 14518  | 15609  | 16152  |
| Inventory turnover | 24.94  | 36.95  | 34.00  | 33.45  | 30.29  |



**Comments:**

From the year 2013 to 2014 the inventory turnover increased but in the year 2015 to 2016 to 2017, and 2013 to 2014 it has decreased. From the analysis it is visible that the inventory turnover of Minister Hi-Tech Park and myone Electronics LTD was not at all

consistent. For any company consistency is a very critical issue to achieve the planned target. As Minister Hi-Tech Park and myone Electronics LTD has many items at varying stages of production, it might expect to have a relatively low turnover.

**Summary of Liquidity Ratio:**

| Liquidity ratio           | Standard     | 2013  | Actual<br>2014 | 2015  | 2016  | 2017  | Unit  |
|---------------------------|--------------|-------|----------------|-------|-------|-------|-------|
| Current ratio             | 2/1<br>Times | 2.70  | 1.56           | 1.38  | 0.93  | 1.38  | Times |
| Quick Ratio               | 1/1<br>Times | 2.4   | 1.46           | 1.27  | 0.86  | 1.25  | Times |
| Receivable Turnover       |              | 5.25  | 5.29           | 5.27  | 5.24  | 6.71  | Times |
| Average Collection period | 45 Days      | 68.62 | 68.11          | 68.35 | 68.67 | 53.66 | Days  |
| Inventory Turnover        | 24.94        | 36.95 | 34.00          | 33.45 | 30.29 | 24.94 | Times |

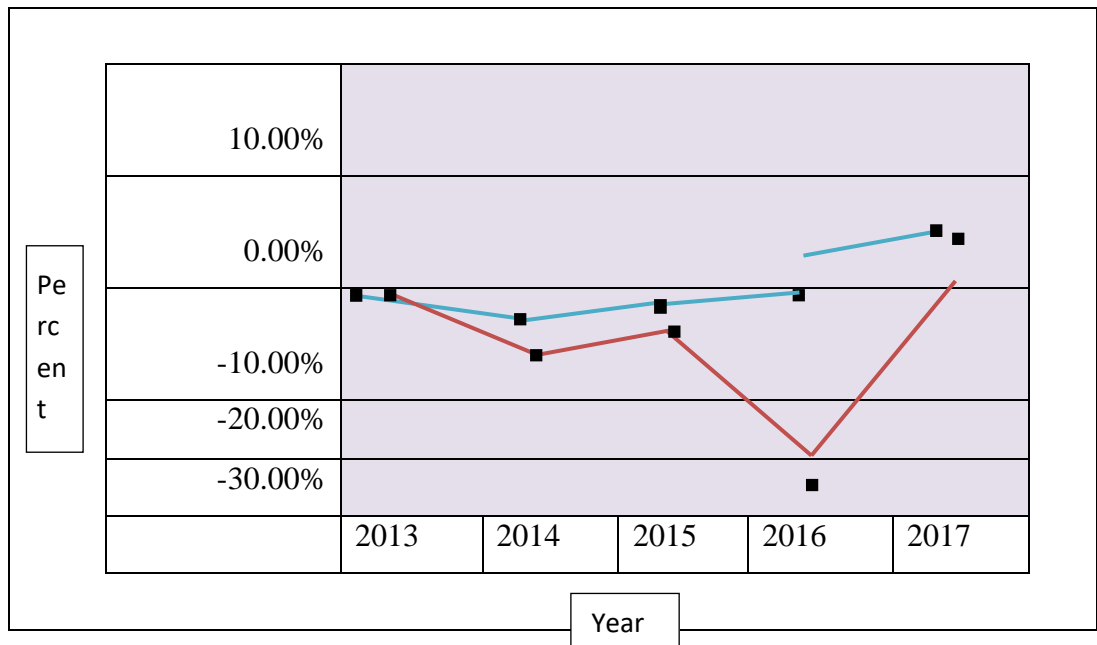
**Profitability Ratios**

**5.2.6 Profit Margin:**

The significance of this ratio is that it helps measure the relationship between sales and operating profits. If the profit margin is inadequate, the firm cannot achieve satisfactory return for its investors.

$$\frac{\text{Operating income}}{\text{Sales}}$$

| Year                    | 2013   | 2014   | 2015   | 2016    | 2017   |
|-------------------------|--------|--------|--------|---------|--------|
| Net income              | -8078  | -49593 | -30564 | -185663 | 6868   |
| EBIT                    | -5684  | -31243 | -23589 | -12235  | 18802  |
| Sales                   | 589117 | 554069 | 605581 | 653184  | 616840 |
| Operating profit margin | -.965% | -5.64% | -3.90% | -1.87%  | 3.05%  |
| Net profit margin       | -1.37% | -8.95% | -5.05% | -28.42% | 1.11%  |



Operating profit margin —

Net profit margin —

**Comments:**

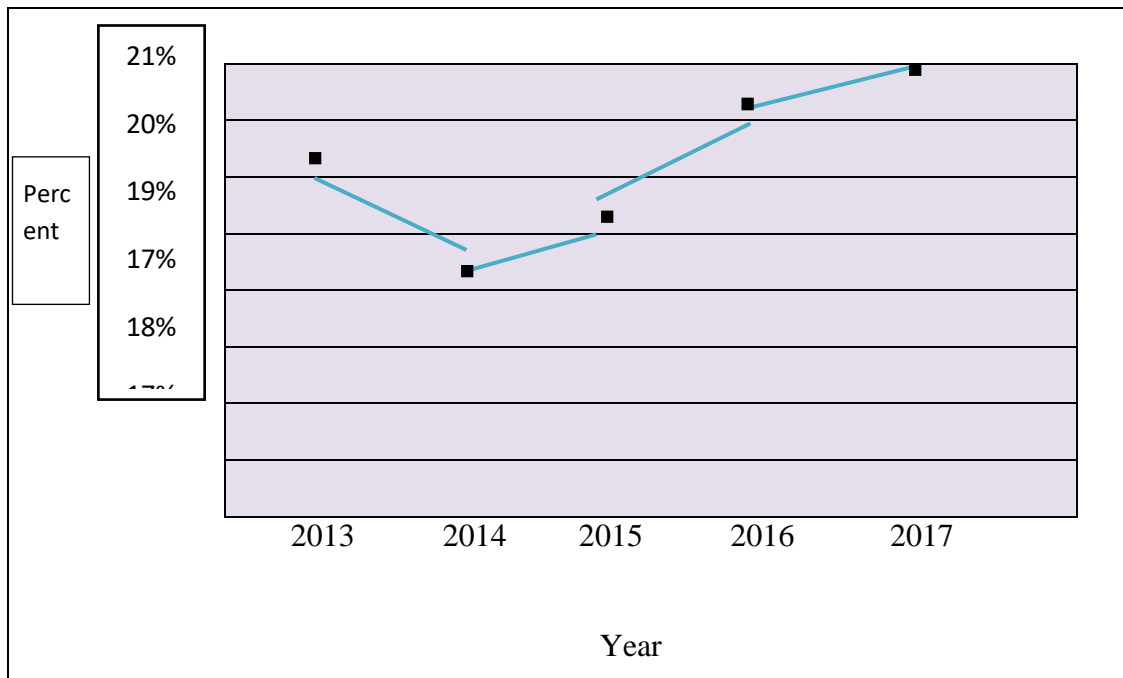
From the above analysis, I found the net profit margin of Minister Hi-Tech Park and myone Electronics LTD is negative from 2013 to 2016. In 2017 the net profit margin was positive but it was much less than the expected guideline (15% - 25%). On the other hand the operating profit margin was positive only in 2016, it was negative in 2013 to 2016. This situation indicates that, the Minister Electronics sales are much lower against higher cost.

**5.2.7 Gross Profit Margin:**

This ratio shows the profits relative to sales after the direct production costs are deducted. It may be used as an indicator of the efficiency of the production operation and the relation between production costs and selling price.

$$\frac{\text{Sales} - \text{Cost of goods sold}}{\text{Sales}}$$

| Year                | 2013   | 2014   | 2015   | 2016   | 2017   |
|---------------------|--------|--------|--------|--------|--------|
| Gross profit        | 111869 | 96460  | 111832 | 131098 | 127583 |
| Sales               | 589117 | 554069 | 605581 | 653184 | 616840 |
| Gross profit margin | 19%    | 17%    | 18%    | 20%    | 21%    |



**Comments:**

According to the general guideline a gross profit margin should be between 30%-50%. But from the above analysis I found that Minister Hi-Tech Park and myone Electronics LTD gross profit margin was much lower than its satisfactory level. It indicates that the management of Minister Hi-Tech Park and myone Electronics LTD did not operate production operation efficiently and could not cope up with the increasing production

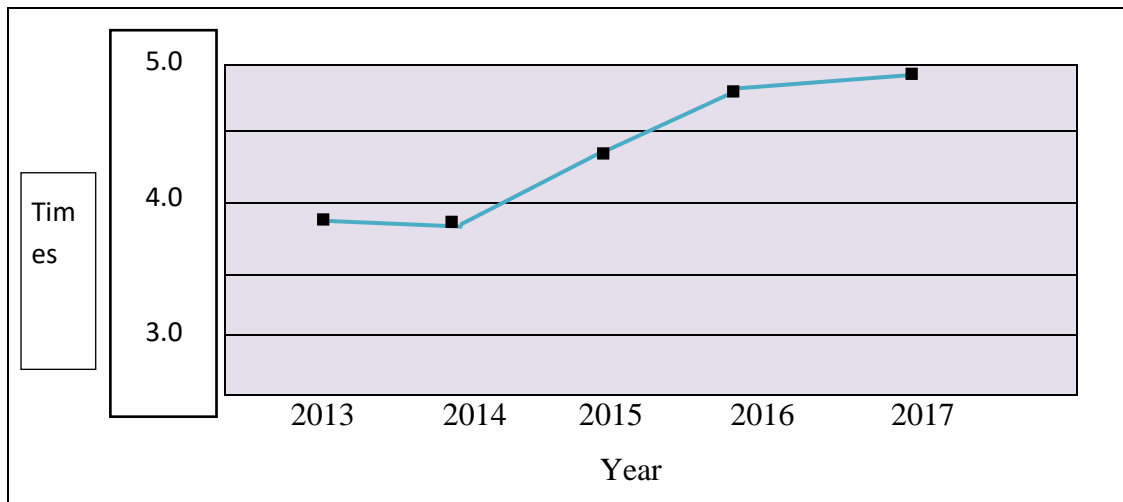
input cost and selling price. Gross profit margin has dropped up to 17% in 2014 from 19% in 2013. But in 2015, 2016, and 2017 the gross profit margin was increased up to 18%, 20%, and 21%. Though this growth is the positive indication for the future, still gross profit margin should increase more.

**5.2.8 Fixed assets turnover:**

The fixed assets turnover measure management ability to generate sales given an investment in fixed assets.

$$\frac{\text{Net sales}}{\text{Fixed assets}}$$

| Year                  | 2013   | 2014   | 2015   | 2016   | 2017   |
|-----------------------|--------|--------|--------|--------|--------|
| Sales                 | 589117 | 554069 | 605581 | 653184 | 616840 |
| Net fixed assets      | 199513 | 191341 | 167329 | 137870 | 125858 |
| Fixed assets turnover | 2.95   | 2.90   | 3.62   | 4.74   | 4.90   |



**Comments:**

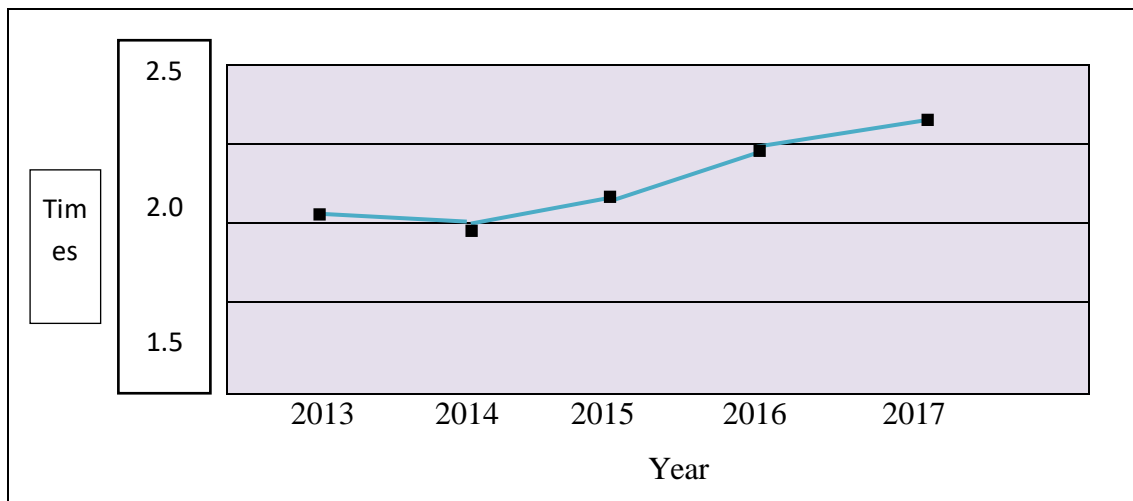
From the above analysis, I found that the fixed assets turnover ratio was downward sloping for the year 2013 to 2014. But the ratio was increased enormously in the year of 2015, 2016 and 2017. It indicates that management of Minister Hi-Tech Park and myone Electronics LTD became more efficient to manage and utilized the fixed assets effectively

to generate profit in the near future. But the Fixed assets turnover is still behind the standard and it needs improvement as soon as possible.

**5.2.9 Total Assets Turnover:**

It highlights the amount of assets that the firm used to produce its total sales.

|                       | Sales<br>-----<br>Total assets |        | OR     | Sales<br>-----<br>Operating assets |        |
|-----------------------|--------------------------------|--------|--------|------------------------------------|--------|
| Year                  | 2013                           | 2014   | 2015   | 2016                               | 2017   |
| Sales                 | 589117                         | 554069 | 605581 | 653184                             | 616840 |
| Total asset           | 373474                         | 377371 | 358132 | 345617                             | 303680 |
| Total assets turnover | 1.58                           | 1.47   | 1.69   | 1.89                               | 2.03   |



**Comments:**

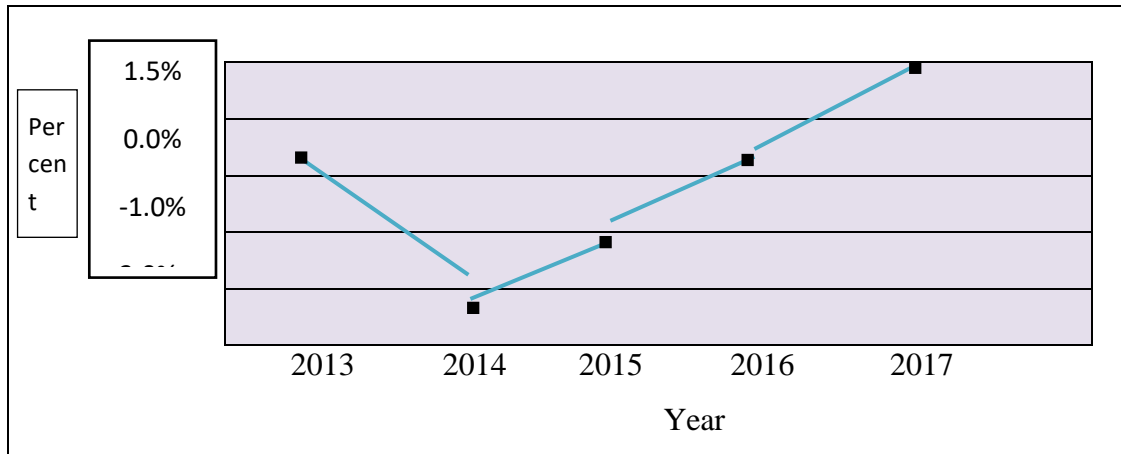
From the above analysis, I found that the total assets turnover ratio was also downward sloping like the fixed assets turnover for year 2013 to 2014 and also the ratio was increased in 2015, 2016 and 2017. The total assets turnover ratio was 2.03 times in 2017, which was considered satisfactory for Minister Hi-Tech Park and myone Electronics LTD

### **5.2.10 Return on Investment:**

The return on investment is the key indicator of profitability for a firm. It matches operating profits with the assets available to earn a return. Firms that are efficiently using their assets have a relatively high return. Less efficient firms have a lower return.

$$\text{Return on investment} = \text{Profit margin} * \text{Total assets turnover}$$

| Year                  | 2013    | 2014   | 2015   | 2016   | 2017  |
|-----------------------|---------|--------|--------|--------|-------|
| Profit margin         | -.00965 | -.0564 | -.039  | -.0187 | .0305 |
| Total assets turnover | 1.58    | 1.47   | 1.69   | 1.89   | 2.03  |
| Return on investment  | -.611%  | -3.84% | -2.30% | -.989% | 1.50% |



### **Comments:**

According to the general Standard of Minister Hi-Tech Park and myone Electronics LTD, the company should have return on investment between in a range of 25 to 40 percent. But Minister Hi-Tech Park and myone Electronics LTD on investment was not within this range. For the last four years, their return on investment was very low and also negative. But in 2017, they achieved 1.5% return on investment, which was a positive indicator for the company. It indicates that the firm became more efficient to use its assets properly and have a relative high return.

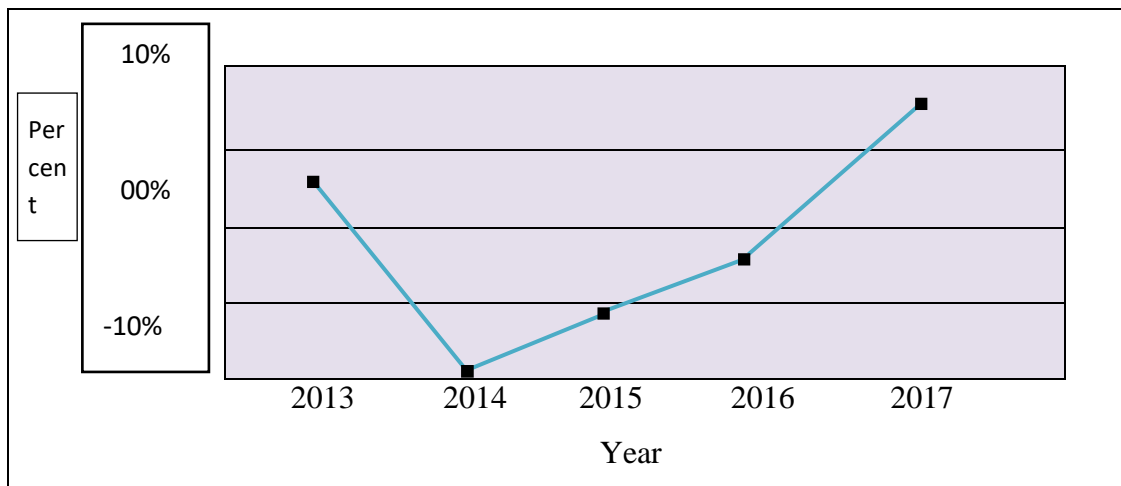


### **5.2.11 Return on equity:**

This ratio indicates the degree to which the firm is able to convert operating income into an after tax income that eventually can be claimed by shareholders.

$$\frac{\text{Net income}}{\text{Total equity}}$$

| Year             | 2013   | 2014    | 2015    | 2016    | 2017   |
|------------------|--------|---------|---------|---------|--------|
| Net income       | -8078  | -49593  | -30564  | -18563  | 6868   |
| Total equity     | 174960 | 167014  | 133026  | 111342  | 119996 |
| Return on equity | -4.62% | -29.69% | -22.98% | -16.67% | 5.72%  |



### **Comments:**

The return on equity is usually lower than the return on investment for a mature industrial firm. As Minister Hi-Tech Park and myone Electronics LTD is in the mature stage in the industrial life cycle, this concept should be true for the company. From the analysis it was found that the ROE has dropped up to -29.69 % in 2014 from -4.62% in 2013. But in 2017 the ROE increased up to 5.72%. Though this growth is the positive indication for the future, still ROE should increase more.

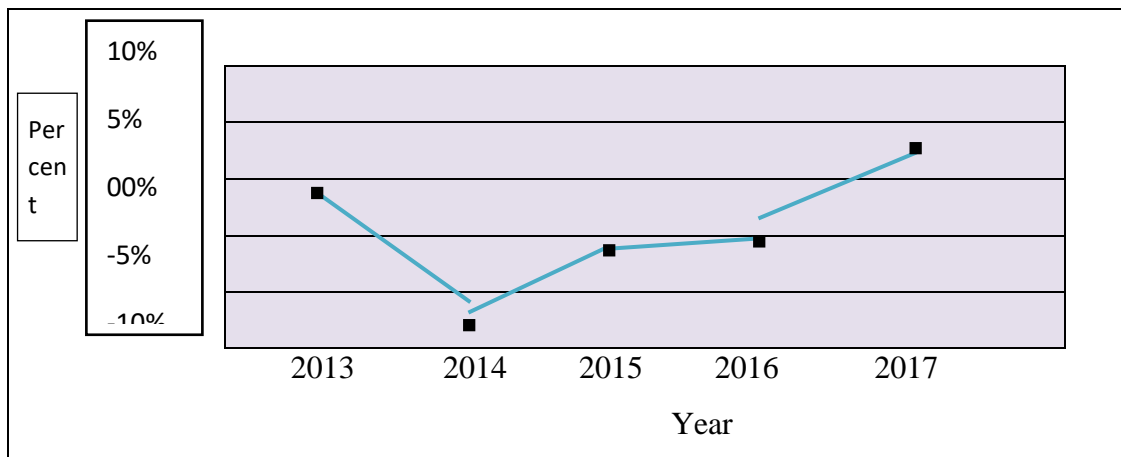
### **5.2.12 Return on assets:**

Return on Assets is calculated by dividing net income by total assets. It is a measure of the after tax return achieved by the company compared to the firm's resources. It links after tax profits to the book value of the assets.

Net income

Total assets

| Year             | 2013   | 2014    | 2015   | 2016   | 2017   |
|------------------|--------|---------|--------|--------|--------|
| Net income       | -8078  | -49593  | -30564 | -18563 | 6868   |
| Total assets     | 373474 | 377371  | 358132 | 345617 | 303680 |
| Return on assets | -2.16% | -13.14% | -8.53% | -5.37% | 2.26%  |



**Comments:**

From the above analysis, I found that the earning power of Minister Hi-Tech Park and myone Electronics LTD is negative in 2013 to 2016. But it was positive in 2017 with a very low rate (2.26%), that was far behind from the satisfactory level, 12-16%. It indicates that the management did not use its assets efficiently to get a high earning power or return on assets. Management should be more concern to ensure the proper use of financial and non-financial use of resource to generate profit of the company.

**Summary of Profitability Ratio:**

| Profitability ratio     | standard  | Actual |         |         |         |       | Unit    |
|-------------------------|-----------|--------|---------|---------|---------|-------|---------|
|                         |           | 2013   | 2014    | 2015    | 2016    | 2017  |         |
| Operating profit margin | 15-25%    | -9.65% | -5.64%  | -3.90%  | -1.87%  | 3.05% | Percent |
| Net profit margin       | 7-9%      | -1.37% | -8.95%  | -5.05%  | -28.42% | 1.11% | Percent |
| Gross profit margin     | 30-50%    | 19%    | 17%     | 18%     | 20%     | 21%   | Percent |
| Fixed assets turnover   | 4-6 Times | 2.95   | 2.90    | 3.62    | 4.74    | 4.90  | Times   |
| Total assets turnover   | 1-2 Times | 1.58   | 1.47    | 1.69    | 1.89    | 2.03  | Times   |
| Return on investment    | 25-40%    | -.611% | -3.84%  | -2.30%  | -.989%  | 1.50% | Percent |
| Return on equity        | 70-90%    | -4.62% | -29.69% | -22.98% | -16.67% | 5.72% | Percent |
| Return on assets        | 12-16%    | -2.16% | -13.14% | -8.53%  | -5.37%  | 2.26% | Percent |

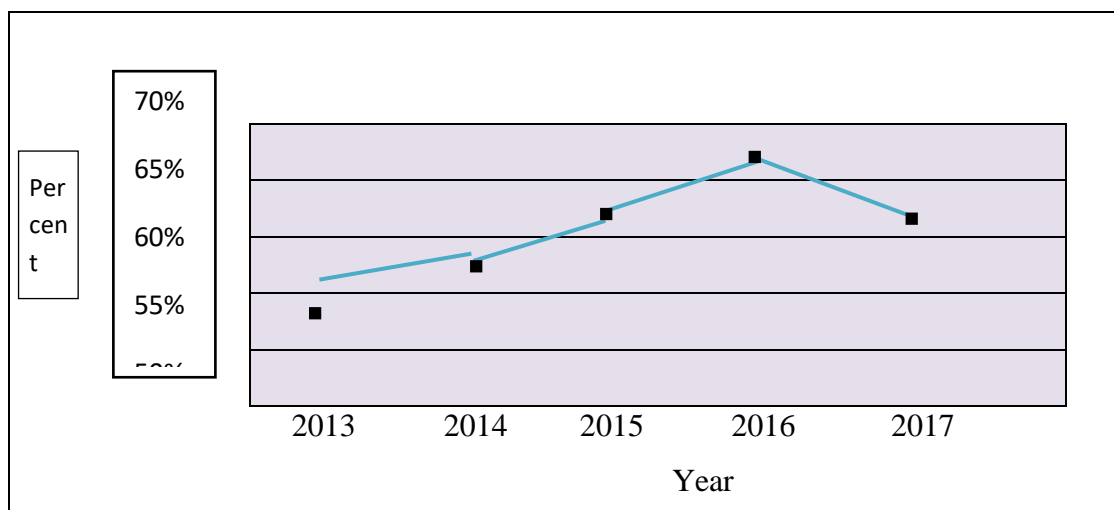
**Tests of solvency and equity position**

**5.2.13 Debt Ratio:**

Debt ratio is calculated by total debt by total assets.

$$\frac{\text{Total debt}}{\text{Total assets}}$$

| Year         | 2013   | 2014   | 2015   | 2016   | 2017   |
|--------------|--------|--------|--------|--------|--------|
| Total debt   | 198514 | 210357 | 225106 | 234275 | 183684 |
| Total assets | 373474 | 377371 | 358132 | 345617 | 303680 |
| Debt ratio   | 53.15% | 55.74% | 62.86% | 67.78% | 60.49% |



**Comments:**

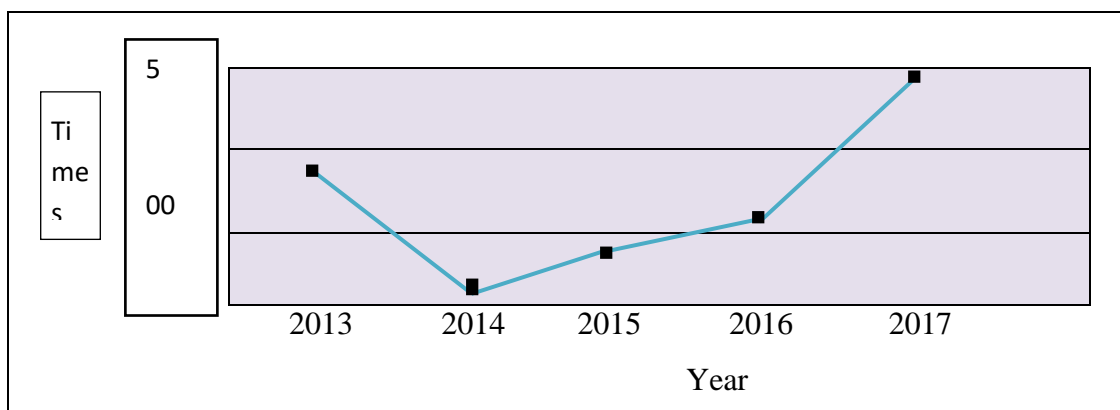
Debt ratio of Minister Hi-Tech Park and myone Electronics LTD was 67.78% in 2016, and it was also greater than the past three years. The cost of financing has been increasing each year but debt ratio dropped 60.49% in 2017.

**5.2.14 Times interest Earned Ratio:**

A useful measure of profit that does not link return to resources is the times interest earned ratio. It is calculated by dividing the firm's operating income by the interest that it must pay on its debt.

$$\frac{\text{Operating income}}{\text{Interest}}$$

| Year                  | 2013  | 2014   | 2015   | 2016   | 2017  |
|-----------------------|-------|--------|--------|--------|-------|
| EBIT                  | -5684 | -31243 | -23589 | -12235 | 18802 |
| Interest charge       | 2176  | 3429   | 2981   | 2630   | 4152  |
| Times interest earned | -2.61 | -9.11  | -7.89  | -4.65  | 4.53  |



**Comments:**

A standard time interest ratio would be 5 to 7 times for a mature company. From the above analysis, I found that time interest ratio was less than 1 times in 2013 to 2016 and achieve 4.53 times in 2017. This ratio is the indication of the margin of safety between financial obligations and the net income. But our above analysis indicated that this time interest ratio is not sufficient to cover its fixed charges on debt. Time interest ratio has dropped up to -9.11 times in 2014 from -2.61 times in 2013. But in 2004 the time interest ratio was increased up to 4.53 times. Though this growth is the positive indication for the future, still time interest ratio should increase more.

**Summary Test of Solvency and Equity Position:**

| Profitability ratio   | standard  | Actual |        |        |        |        | Unit    |
|-----------------------|-----------|--------|--------|--------|--------|--------|---------|
|                       |           | 2013   | 2014   | 2015   | 2016   | 2017   |         |
| Debt ratio            | 50-60%    | 53.15% | 55.74% | 62.86% | 67.78% | 60.49% | Percent |
| Times interest earned | 5-7 Times | -2.61  | -9.11  | -7.89  | -4.65  | 4.53   | Times   |

## CHAPTER 6. FINDINGS, RECOMMENDATIONS AND CONCLUSION

### 6.1 Findings& Recommendations

- Inadequate cash
- Excessive receivable
- Excessive inventory
- Excessive current liabilities
- High production cost
- Inadequate sales
- High administration cost
- Excessive interest payments

| <b>Problem</b>                | <b>Solution</b>  |
|-------------------------------|--|
| Inadequate cash               | Minister Hi-Tech Park and myone Electronics LTDhas to raise its additional funds through equity capital. The company cannot raise additional capital through bank financing. Because they have already under huge amount of debt.  |
| Excessive receivable          | Minister Hi-Tech Park and myone Electronics LTDhas to put more restriction on the terms of trade and develop a more aggressive collection policy. So that they can reduce the amount of receivables. Excessive receivable does not give positive impressions on the company. The company should be more careful about this matter. |
| Excessive inventory           | They should improve their inventory management system in order to improve the working capital management. Their inventory turnover is satisfactory but there was no consistency.   |
| Excessive current liabilities | Their current liability is higher than their long-term liabilities. And this excessive current liability affects its current ratio and quick ratio negatively to pay its short-term obligation.  |
| High production cost          | Minister Hi-Tech Park and myone Electronics LTDshould develop institute cost-cutting measure because their production input cost is very high.   |
| Inadequate sales              | Minister Hi-Tech Park and myone Electronics LTDhas to increase   |

|                             |  |
|-----------------------------|--|
|                             | the size and quality of sales force and improve advertising for increasing their sales.                        |
| High Administration cost    | They should reduce their administrative cost to gain high operating profit.                                    |
| Excessive interest payments | For lowering these high interest payments they should seek lower-cost debt financing or seek equity financing. |

## **6.2 Conclusion:**

Minister Hi-Tech Park Ltd. Is first growing organization in BD. We are improving our product day by day. For that its demand growing up every day, every Month & every Year.

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