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An Internship Report
On
An Evaluation of Accounting Practices of Avirup Pharmacy,
UttaraAdhunik Medical College Hospital, Uttara.

Submitted To

ShahanaKabir

Assistant Professor
Department of Business Administration
Faculty of Business & Entrepreneurship
Daffodil International University

Submitted By

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Major: Accounting, Batch: 47th

Program: Master of Business Administration (MBA)

Department of Business Administration
Daffodil International University

Date of Submission: December10, 2018

Daffodil International University



**An Evaluation of Accounting Practices of Avirup Pharmacy,
UttaraAdhunik Medical College Hospital
Uttara, Dhaka-1230**



Letter of Transmittal

Date: December 10, 2018

To

ShahanaKabir

Assistant Professor

Department of Business Administration

Faculty of Business & Entrepreneurship

Daffodil International University

Subject: Submission of the Internship Report.

Dear Madam,

Here I present my internship report titled “An Evaluation of Accounting Practices of Avirup Pharmacy, UttaraAdhunik Medical College hospital, Uttara, Dhaka-1230” with due gratitude and appreciation. As per partial fulfillment of the requirements for the Master of Business Administration (MBA). I have completed the Internship Report.

The internship program has given me the opportunity to learn about different aspects of a reputed organization. Before facing the real business world, I have gathered a pre idea about the organization culture.

To prepare this report both the primary and secondary data have been used. However; I have gathered all the facts that I could within this short period & have tried my best to present them clearly and logically. Despite of limitations, I sincerely hope that my report will meet the requirements that you set for me.

A handwritten signature in black ink, appearing to read 'Nur Islam Rashed', is shown within a rectangular box.

Nur Islam Rashed

Id No 172-14-2410

MBA Program, Batch- 47th

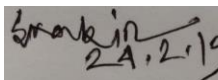
Department of Business Administration

Daffodil International University

Letter of Acceptance

This is to certify that Nur Islam Rashed, ID: 172-14-2410, program of MBA, Major in Accounting is a regular student of Department of Business Administration, Faculty of Business & Economics, Daffodil International University. He has successfully completed his Internship program at Avirup Pharmacy, UttaraAdhunik Medical college Hospital, Uttara, Dhaka-1207. He has completed the internship under my supervision. His assigned topic is “An evaluation of Accounting Practices of Avirup Pharmacy, UttaraAdhunik Medical college Hospital, Dhaka.”

He is found active, sincere and hardworking in completion of his study. I wish him total success in life.



ShahanaKabir

Assistant Professor

Department of Business Administration

Faculty of Business & Entrepreneurship

Daffodil International University

Declaration

I do hereby solemnly declare that the work presented in this internship report named “An Evaluation of Accounting Practices of Avirup Pharmacy, UttaraAdhunik Medical college Hospital, Dhaka”. has been carried out by me and it has not been previously submitted to any Organization/University/College for an academic degree/qualification/certificate/competition. The work I have presented does not violate any existing copyright and no portion of this report is copied from any work done earlier for a degree.

I further take on responsibilities to protect the development against any loss or damage arising from violation of the foregoing obligations.



Nur Islam Rashed
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Acknowledgements

I want to acknowledge and most thankful to almighty Allah, the most pitiful blessing me with endurance and tenacity of mind to complete the Internship report which requirements for the degree well. Then, I singularly want to acknowledge AlakKanti Pal; Managing Director, Avirup Pharmacy, Mrs. Irin Khan; Chief Accountant at Sahabag office for their tremendous support, guidance and patience. Without their kind supervision, preparing this report would be very difficult. I am also grateful to them for providing me all the available and relevant information to have a clear concept on the subject. My heart full thank to BiduSaha; Senior Accounts officer and Abdur Rahman; assistant accounts officer. They provide me the conduct and counseling during my entire internship program. Their gradual and well-thought feedback enabled me to make this report aextensive one.

I would like to disclose my sincere thankfulness to my academic supervisor ShahanaKabir, Assistant Professor of Daffodil International University under Department of Business Administration, Faculty of Business and Entrepreneurship, Daffodil International University for her constant leading, supervision and feedbacks which enabled me to prepare this report.

The conforming persons also gave me important information which were necessary for analysis and provided me with feedbacks, which back up me a lot in preparing the report, their assistance is gratefully acknowledge: AmirulHaqueRubel and Md. Yeamin.

Executive Summery

Avirup Pharmacy is a house of quality medicine dispensary. The pharmacy purchases medicine from the distributor of medicine manufacturing company. Some important medicine import from different country. Mainly, the medicine are imported from India, USA, Germany etc.

This report aims at providing an evaluation of accounting practices of Avirup Pharmacy, UttaraAdhunik Medical college Hospital, Dhaka. While preparing this report it has been tried to show the sagacity of the account management Department & performance analysis of the organization. The firm is found to maintain accounting records and reports in computerized systems through excel. Through the internship period my daily accounting task is journal, ledger, trial balance, annual report, Income Statement. My weekly accounting task is company cheque issue, bank advise letter for clear cheque. Monthly accounting activities are estimated cash flow statement, financial statement, balance sheet statement. A few suggestions and recommendations were also true based on the observation and findings.

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Chapter One

Introduction

1.1 Introduction:

Generally by the word “Company” we can easily understand that a company is a legal entity built by a group of individuals to engage in and conduct a business enterprise. A company may be organized in several ways for financial and tax liability purposes depending on the corporate law of its jurisdiction. The line of business the company is in will generally determine which business structure it chooses. For example a proprietorship, a partnership or a corporation. But a business partnership is a specific kind of legal relationship made by the agreement between two or more individuals to carry on a business as co-owners. A partnership is a business with multiplex owners, each of whom has invested in the business. Some partnerships cover individuals who work in the business, while other partnerships may cover partners who have limited sharing and also limited liability for the debts and litigation against the business. The federal government embodied various types of partnerships. The two most common are general and limited partnerships. I joined the general partnerships company. Where night partners started their business in Birdem General Hospital under the sector of Pharmacy. The name of the business is “Avirup Pharmacy”. UttaraAdhunik Medical College Hospital is the branch. The partners are needed information about their income statement, cash flow statement, and balance sheet. For that reason they create accounts department. This department follows all accounting standard rules and regulation. In this report, showing thirteen table in different Statement. This study, I am trying to show all accounting activities of the organization.

1.2 Background of the Study:

Internship program is the most momentous stage for a MBA student. The range of internship program is four months, which bearing a greatest learning technique to know about the business and cope up the environment in such a way like trained employees. The expertise that got by an intern during the internship period will make them more polished and professional in their future job sector. I started my internship at Avirup Pharmacy, Birdem General Hospital, Sahabag, Dhaka. from 1st August, 2016. My report is prepared from the experience of 1st August, 2016 to 30th October, 2018. Because my internship report prepared from my job experience. The internship report focuses on an evaluation of accounting practice of Avirup Pharmacy, UttaraAdhunik Medical College, Dhaka.

1.3 Objectives of the Study:

The objectives of the study are as follows:

- To know the accounting function of Avirup Pharmacy;
- To know how to prepare financial statement of the firm;
- To evaluate the recording and reporting of the firm;
- To find out the problems in accounting policies of the firm;
- To suggest necessary measures.

1.4 Methodology:

Throughout the internship period I worked at Accounts department and attained experience on that department. By working as a head accountant of Uttara Branch, I had scope to pile up a lot of information; to some extent I had residual to see company's voucher, ledger, trial balance, audit report and so forth. It is worth to mention that, the members of the office were very informative. I also collected more information from head office. Moreover, studying in university course, course text book and search engine was helpful to accumulate theoretical knowledge with practical. This study has been prepared on the basis of data and information collection during the period of working. Both primary data and secondary data have been used in this study. Primary data have been collected from the company's file both branch and head office and secondary data have been collected from the different book and corporate website.

1.5 Limitations:

There are certain limitations in this report; otherwise the report including the analysis might be more accurate and beneficial. At first, it was difficult to get an appointment with auditor as an internee like me. But I tried to make an adjustment with those problems.

Those problems are as follows;

- It was very difficult to collect the personal information from various person because they are busy to their duty.
- It was also difficult to collect information due to privacy.
- It follows standard accounting practice but difficult to collect information due to small firm.
- The company has not any prospective in online or visual about its activities.



Chapter Two

Corporate Profile

2.1 Background of the Study:

Avirup Pharmacy is an income generating project. The pharmacy has started sale of medicine activities during January,16 Pursuance of decision of the Executive Committee of Birdem General Hospital , Sahabag, in it's meeting held on 01 January,2016. Before 2016, the name of Avirup Pharmacy was Keya Drug House. Keya Drug House had started sale of medicine acitivities during 25th March, 2012. Keya Drug House Stated by the eleven Partners capital. After December 2015, three partners was escaped from the partnership business. Then rest eight partner started medicine business by new name Avirup Pharmacy. Now the institution has four Branches. These are Birdeam General Hospital (Sahabag and SegunBagica), Bangladesh Medical College Hospital (Dhanmondi) and UttaraAdhunik Medical College Hospital (Uttara). Our pharmacy provide a good service to the customer. Every branch keeps calculation separately. For that reason organization management gave separate accounts in every branch.

Fund Accounts:

This is a partnership organization. So fund is collected from the partners. Eight partners are equally provided capital to the organization. I show the current fund of company below where capital, withdrawal, profit and loss include. Their profit ratio is same for every partners.

Fund Accounts : Tk.8,909,08			
The above balance is arrived as under:			
Particulars	31.05.16 Taka	Taka	Difference
Opening Balance	-	-	-
Add: Adjustment	-	-	-
Partner Capital	8,909,089	-	- 8,909,089
Less: Capital Withdrawal	6,869,089	-	- 6,869,089
	2,040,000	-	- 2,040,000
Add : Net profit/(loss) for the year	4,898,246	-	- 4,898,246
Less: Adjust unearned Non Paying Bill	-	-	-
Balance as on 31.05.16	6,938,246	-	- 6,938,246

2.2 Products/ Service offerings:

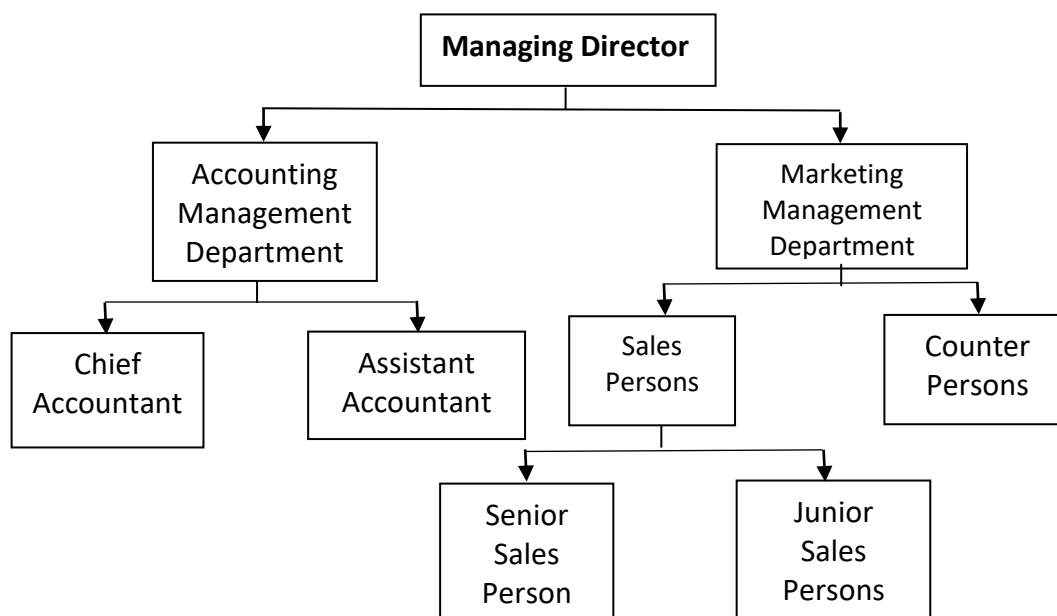
Avirup Pharmacy offers a several range of medical products. To capture medical treatment it is fundamental to meet the demand for all type of patient. Here is a brief list of the product offered by the company.

1. All surgical items are available here.
2. All injection item in different company are available here.
3. Different company medicine are available here.
4. Some foreign medicine are collected from different country because of doctors demand.
5. Aventis product are available here.

2.3 ORGANOGRAM:

Organizational structure:

Avirup Pharmacy does not follow traditionaryvalues. The employees are given sufficient responsibilities and rebel to deliver their work in particular timeline. Employee empowerment is also practiced in the company. Employees of all level are sanction to take part in the judgment making process. Not only getting the opportunity to involve in the judgment making process but also have the access to communicate with the top management any time at work. As the company is still growing the number of employee is less. Avirup Pharmacy has a head count of 150 people. Below is the organogram of Avirup Pharmacy:



1. Source: Developed based on corporate information

2.4 Management Committee of Avirup Pharmacy

The affairs of the Pharmacy are entrusted to an Executive committee consisting of 8 (eight) members. The name and position of the office bearers are as follows:

Name		Position
AlakKanti Pal		Partner
A.K.M. Sharifuddin		Partner
Deb Dulal Das		Partner
ParthoSarthi Das		Partner
Md. Yeamin		Partner
MdMoniruzzaman		Partner
BijoyKrisnahSaha		Partner
Md. Mohammed Amirul Islam		Partner

2.4 Vision & Mission

Vision:

Avirup Pharmacy will be a brand for every hospital sector in Dhaka city it is the main vision. It follows the honest business policy. It provide quality product and quickly service provide to the customer. Try to attract customer satisfaction.

Mission:

Avirup Pharmacy already started working to reach his vision. For that reason already it started three branches. All product collect form the manufacturer company. Now it tries to start another branch. For opening the branch, it already met some of meeting.



Chapter Three

Accounting Practices

at

Avirup Pharmacy

3.1. Concept of Accounting:

Accounting is an information system where records all economic transaction and communicate to the interested user by providing financial report.

According to Weygandt, Kieso and Kimmel, "Accounting is and information system that identifies, records and communicates the economic events of and organization to interested users." (kieso, kimmel, 9th edition 2012-2013)

According to A.W.Johnson, "Accounting may be defined as the collection compilation and systematic recording of business transactions in terms of money, the preparation of financial reports, the analysis and interpretation of these reports and the use of these reports for the information and guidance of management."

Some feature of accounting are follows:

- a. Keeping financial records,
- b. Methods for recording transactions,
- c. Performing internal audits,
- d. Reporting and analyzing financial information to the management, and
- e. Advising on taxation matters.

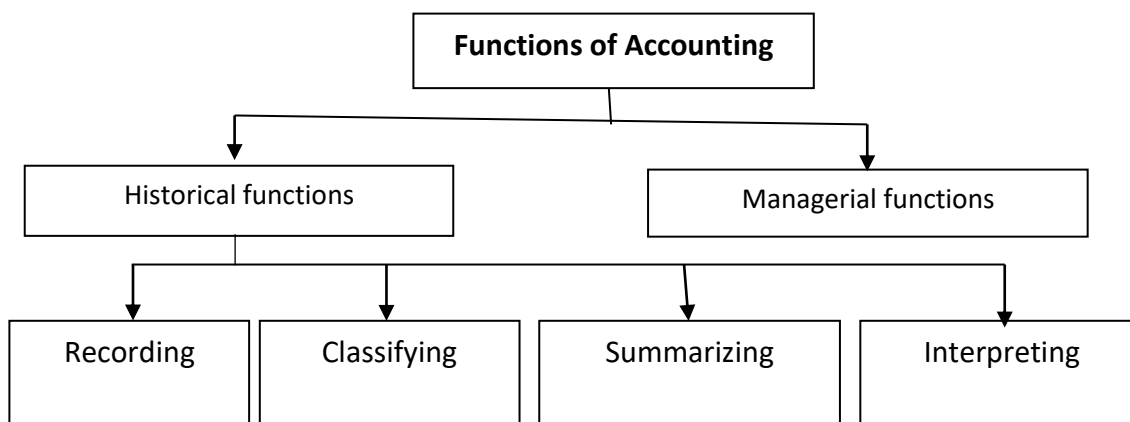
It is a systematic process of identifying, meaning, recording, classifying, verifying, summarizing, interpreting and communicating financial information. It reveals profit or loss for a given period, and the value and nature of firm's assets, liabilities and owners equity.

Accounting provides information on the

- a. The means employed to finance those resources,
- b. Resources available to a firm, and
- c. The results achieved through their use.

3.2 Accounting Functions:

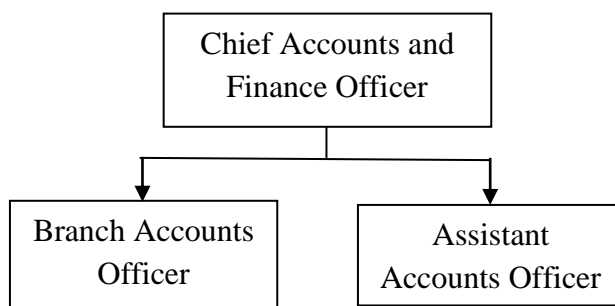
Accounting consists of three basic activities-it identifies, records and communicates the economic events of an organization to interested user. To identify economic events a company choose the economic events material to its business. Identifies economic events, it records those events in order to provide a history of its financial activities. Recording consists of keeping a systematic, chronological diary of events. A cardinal element in communicating economic events is the accountant's ability to analyze and interpret the reported information. Analysis entangles use of ratios, percentages, graphs and charts to highlight significant financial trends and relationships. Interpretation involves explaining the uses, meaning and limitations of reported data. (kieso, kimmel, 9th edition 2012-2013, Page-4)



2. Source: Developed based on Avirup Pharmacy accounts

3.3 ORGANOGRAM of Accounting Department:

There are four member of Avirup Pharmacy in accounting department. Chief accountant provides guideline to the assistant accountants and branch accountants. Number of two accountants is working in branch. Rest one accountant working with the chief accountant. First week of every month chief accountant collect document and knowing information from the branch accountant.



3. Source: Developed based on Avirup Pharmacy

3.4 Accounting Activities:

Accountants have some responsibility, some activities. These activities are written below:

1. Accounts Payable (money out) – In order to maintain great relationships with seller making sure that to paid his right on time in a vital role. The role of the accounting section together with rearing an eye on opportunities to save money. Most of product receive from manufacturing company on account. So the accountants are follow the term and credit limit of the company invoice. Accurate time, accountants pay to creditor payable.
2. Accounts Receivable and Revenue Tracking (money in) – Another critical duty of the accounting section is to account for receivables. Accounts receivables means the total outstanding invoice that are need to collect. Accounts receivable is responsible for tracking and making invoices. The responsible person collect receivables on time that are shows to the invoice. For the customer satisfaction Avirup Pharmacy open credit card

system. So the accountant's records net daily accounts receivable from the software report.

3. Payroll – Payroll is a tight function of the accounting section. Because it includes making sure all employees are paid accurately and timely. In addition, proper tax is counted and tax payments are on time with state and federal government agencies. Avirup Pharmacy pay tax amount on every invoice to the manufacturing company. Accountants records and calculate the net tax payment.
4. Reporting and Financial Statements – The initial reason you gather data properly in your accounting book is to prepare financial reports. The reports may be used for budgeting, forecasting and other decision making processes. In other hand, these reports and other reports are needed for communication to owners, banks, investors, investors, creditors, tax authority and professionals that play a vital role to the growth of the business. Accounting make financial statement in every month before the monthly board meetings.
5. Financial Controls – Financial controls cover reconciliations, distributing the duty and following the GAAP standards of accounting principles, which are implemented with a view toward are set up properly to handle that procedure without errors. Accountants of Avirup Pharmacy follow the GAAP Standards of accounting principles for calculation.

3.5 Manual Accounting Practices vs. IT Accounting Practices:

While most current businesses use computerized accounting packages, some firms still prefer a manual system. A manual system consumption less because there is no expense for computer equipment, software and employee training. A manual system can be more safe because it does not use the Internet to transfer data to accountants or the IRS.

A trouble of a manual accounting system is that it is ready to mistakes, with no software in use to ensure calculations. Generating financial reports takes more time and exertion, and paper records with no backup are more ready to destruction by fire or flood. Preparing tax returns takes longer when using a manual system. In the event of an audit, a manual system requires more man hours over past on collecting requested documentation.

Manual systems work best for smaller businesses and don't work well in companies with large numbers of financial transactions. Using paper requires that the bookkeeper be more knowledgeable in basic accounting principles than is necessary for an employee using accounting software. This makes it more challenging to find suitable employees to keep books, as fewer companies use manual accounting and more use computerized systems.

While most modern business use computerized accounting system that time the works of accountants can easily done. The accountants activities may accomplished smoothly. But there is a great problem. IT based accounting practices has an risk of lost data at any time. If the computer damage that time firms lost their data. Another if the virus attack to the computer that time the firms may loss their data.

3.6 Recording and Reporting procedures:

3.6.1 Collection Daily Transaction:

Accountants are collect daily transaction from the counter people. Every mornings accountants go to Pharmacy and print the report from the server. Report shows the transaction (sales, dues, collection dues, advanced received, Local purchase). Then they collect physical documents from the counter people. Here received cash amount, Local purchase paper, expenses voucher, dues paper, dues collection papers. After that they match the physical report with the server report. If the report match then they go to collect credit invoice. Some time cash was not match with report. The counter people should not provide absolute documents. If anyone at the small size of the deficit, the accountants did not punish them. But if anyone at the big size of deficit, the accountants charged punished.

3.6.2 Journal Book:

A journal book is an initial book for a company. Because this book is a detail account that records all monetary contract of an organization, so that they can be used for posterior reconciling and disposal to other official accounting records such as general ledger. Entering transaction data in the journal is known as journalizing. Companies make separate journal entries for each transaction. A complete entry consists of: (1) the date of the transaction, (2) the accounts and amounts to be debited and credited and (3) a brief explanation of the transaction.(kieso, kimmel, 9th edition 2012-2013, Page-56)

3.6.3 Cash Book:

In the cash book, the organization sustain their daily cash transactions. Any types of cash received like from client, withdrew from owns bank account, service charge and loan from bank, director or other organization. Afterwards, daily cash expenses are also recorded. It is worthwhile to notice that every transaction is record from the journal voucher. Journal voucher refers to a voucher which duty as a journal book. It keeps transaction with date and explanation. A sample shows below from the Avirup Pharmacy cash book.

Date	Particular	Cash	PBL	MBL	Date	Particular	Cash	PBL	MBL
21.06.18	Balance b/d	1436615	7526507	8456488	21.06.18	Purchase out	85210		
	Outdoor sale	341514				Entertainment	450		
	Extra	1050				Conveyance	500		
	New card-2	40534				Bank Deposit	800000		
	Collection-2	35234		800000		Net bag	2500		
						Medical exp.	180		
						Beacon Pharma			320468
						Ibnsina			8580
						Healthcare Pharma			856597
						Orion Pharma			93548
						Balance C/D	96617	7526507	7977295
	Total	<u>1854947</u>	<u>7526507</u>	<u>9256488</u>			<u>1854947</u>	<u>7526507</u>	<u>9256488</u>

Table -1 Source: Prepared form the Accounts of Avirup Pharmacy

3.6.4 Posting all accounts into Ledger Book:

Transferring journal entries to the ledger accounts is called posting. The entries group of accounts maintained by a company is the ledger. The ledger reposes in one place all the information about changes in tangible account balances. Companies may use many kinds of ledgers but every company has a general ledger. A general ledger contains all the asset, liability, and owner's equity accounts. (kieso, kimmel, 9th edition 2012-2013, Page-58). Everyday the accountants of Avirup Pharmacy posting all accounts into ledger book. Here is an example from the Avirup Pharmacy accounts book:

Conveyance					
Date	Particular	Folio or Page	Debit	Credit	Balance
05.06.18	Cash		540		
07.06.18	Cash		320		
08.06.18	Cash		105		
Total			965		965

Table-2 Source: Prepared form the Accounts of Avirup Pharmacy

3.6.5 Trial Balance:

A trial balance is a list of accounts and accounts balances that are taking from ledger balances. Company prepare trial balance after the end of accounting time period. The list of ledger accounts use in the trial balances. Credit balances come out in the right column and debit balance come out in the left column.

The initial motives of a trial balance to check and prove the equal balance between credits and debits side after posting. The summation of two side balance should be equal. If both side do not equal that means there are some errors. The company can use the trial balance to uncover errors

in journalizing and posting. The accountants of Avirup Pharmacy upgrade trial balance every day. Here is a trial balance from the Avirup Pharmacy documents:

Trial Balance

Month of January to June-2018

SI No.	Accounts Titles	LN	Debit Tk.	Credit Tk.
	Opening Cash & At Bank			
	Cash In Hand			-
	Bank Deposit-PBL			-
	Bank Deposit-MBL			-
	Patty Cash (Mejbah)			-
	Abnormal Loss		45,362	
	Advertisement		20,000	-
	Director Honorarium		-	
	Dividend		-	
	Entertainment		125,856	
	Picnic		-	-
	Ifter		56,192	
	Fake Money		9,000	
	Electric bill		85,450	
	Office Equipment		1,435,912	
	Mobile Bill		-	
	Net Beg		74,780	
	Maintenance Cost		2,855,427	
	Office expense		345,302	
	Medical Expenses		92,887	
	Other Income		-	5,022,939
	Photocopy, Printing& Papers		49,675	
	Festival Bonus		582,342	

Leave Bonus	-	
Loan To BM		-
Purchase Cash	19,845,662	
Partner's capital		8,909,089
Capital withdraw	6,869,089	
Petty Cash Purchase from keya drug	280,675	-
Petty Cash Receive		270,774
Birdem Hospital	-	-
Birdem security	3,000,000	
Conveyance	45,850	
Staff Salary	-	
Employee Salary	2,022,847	
Sign board		
Service Charge	45,200	
Sundry Exp.	791,532	
Stationary	158,991	
Card Sales		12,857,957
Sales		83,581,442
Extra Income		114,415
BIRDEM Rent	6,600,000	
Uniform	-	-
FDR-PBL	-	-
Paid Accounts Payable	52,141,784	
FDR Encashment	-	-
Bank charge	-	-
Cash In Hand	755,723	
Bank Deposit-MBL	10,892,078	
Bank Deposit-PBL	1,529,000	
Total	110,756,616	110,756,616

Table-3 Source: Prepared form the Accounts of Avirup Pharmacy

3.6.6 Voucher:

Voucher is a document which can be used as evidence that a financial contract has occurred within two groups. In business, a payment voucher used when it pay for different purposes. Some time it occurred cash, sometimes due. Received voucher used when the firm receive for different purpose like as sales, services etc. Debit voucher and credit voucher are discussed below.

Debit voucher:

A debit note is a document that are used by a seller to inform to the buyer of present debt responsibilities or a document made by a buyer when returning goods received or credit. Debit note also inform to the organization about their current due. It also reminder the upcoming invoice that are needs to recover. For items being returned the total anticipated credit amount may be included as well as an inventory of the returned items and the reason for the return.

Credit Voucher:

A credit note is another document that used by a vendor to say the seller of current credit responsibilities. Credit voucher made by a seller when selling goods or providing services.

3.6.7 Maintaining the Company's Credit Invoice:

Most of the goods purchased by credit. Here, a contract between company and supplier on credit purchase. They maintain credit limit and credit term. First of all accountants check the company invoice. After checking invoice, entries to accounts payable sheet. They maintain accounts payable sheet. Where many companies documents are available. Accounts payable sheet shows the payable amount, discount amount, return amount. Here accountants have a big responsibility. Because they have to follow and maintain the accounts payable credit term, credit limit. After credit time, they provide cheque to the company.

Company name : SQUARE PHARMACEUTICALS LTD

Date	Memo No./Bill No.	GRN NO	Amount TK.			Trade Discount	Product Return	Balance	Paid Amount	Closing Balance	% Ratio
			Trading Price	VAT	Net Value						
24.04.18	3121230932	445	67,026	12,039	79,065	135		78,930	78,930	-	25.76%
25.04.18	3121247566	501	24,865		24,865			24,865	24,865	-	21.38%
25.04.18	3121297684	536	19,297	3,708	23,005	137		22,988	22,988	-	19.50%
02.05.18	3121363542	549	104,916	20,088	125,004			125,004		125,004	21.26%
02.05.18	3121343484	570	1,711	150	1,861			1,861		1,861	21.26%
02.06.18	3121348342	592	88,180	15,056	103,236			103,236		103,236	19.28%
Total			305,995	51,041	357,036	272	-	336,884		230,1010	

									125,783		
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Table-4 Source: Prepared form the Accounts of Avirup Pharmacy

3.6.8. Matching Company's payable with Company Stock:

Before making cheque, accountants must check company stock with accounts payable. When payable amoun size is less than stock, accountants will not making cheque. But payable amount size is more than stock, accountants will making cheque.

SCHEDULE OF ACCOUNTS PAYABLE						
SI No.	Company Name	Closing Balance	Bill Amount	After payment Balance	Computer Stock	
1	Healthcare Distribution	1,194,186.63	567,463	626,724	915,088	(288,364)
2	Incepta Pharmaceuticals	855,254	242,615	612,639	698,167	14,472
3	Orion Infusion	279,055	200,857	78,198	72,798	5,400
5	Square Pharmaceuticals	531,614	86,611	445,003	801,680	(356,677)
6	OpsoninPharma	300,229	102,873	197,356	62,734	134,622
7	Transco Distribution	26,419	26,419	0	28,413	(28,413)
Total		2,286,758	626,838	1,659,920		

Table-5 Source: Prepared form the Accounts of Avirup Pharmacy

This table shows the seven companies schedule of accounts payable. Here bill amount is mature credit time. So the amount must be payment to the company. But here general Pharmaceuticals Ltd, Square Pharmaceuticals and OpsoninPharma is not eligible for getting cheque. Because their stock is size than Payment balance. That means if company payment the bill amount, he will be taking risk.

3.6.9 Advice Letter:

When company issue cheque to the creditor. That time accountants written an advice letter to the bank. For that reason bank clear the issuing cheque. This process minimize the possibility of bounce cheque and reduce signatory director. Example of advice Letter.

Avirup Pharmacy

To Date-27.08.18

Mr. Mohammad FaruqueAhammed MBL-09

First Vice President

Mercantile Bank Limited

Engineers Institution Branch

8/A, Ramna

Dhaka-1000

Sub: Request for payment following cheque amount our bank A/C Avirup Pharmacy. No-114211119212325

Sl no	Party Name	Cheque No	Date	Amount
1	The Acme Laboratories Ltd	0346861	29.06.18	18952
2	Healthcare Distribution Company	0346862	29.06.18	157,887
3	Nipro JMI Pharmaceuticals Ltd	0346862	29.06.18	11,347
4	Square Pharmaceuticals limited	0346864	29.06.18	347,571
5	Radiant Pharmaceuticals Limited	0346866	29.06.18	37,673
Total				573,430

If you require any clarification or information , we will be prompt to respond.

Thanking you for your cooperation and service.

Yours sincerely

Alakkanti pal

Partner

Avirup pharmacy

3.6.10 Chart of Accounts:

A chart of accounts is a list of accounts names that a company has identify and formed available for recording transaction in its ledger. The company has the flexibility to its chart of accounts to greatest fit for its necessary. Within the chart of accounts you will find that the accounts are typically listed in the following order: (1) Balance sheet accounts and (2) Income statement accounts

3.6.10.1 Balance Sheet:

Balance Sheet is making as usual accounting standard system. Balance sheet shows the company current asset and fixed asset, short term liabilities and long term liabilities, owners equity etc.

Avirup Pharmacy				
Of the				
UttaraAdhunik Medical College				
BALANCE SHEET				
As on June30 th , 2018				
Particulars	Notes	30.06.18		Difference
Fund and Liabilities :		Taka	Taka	
Fund Account	5.00	6,938,246	-	6,938,246
Accounts Payable	6.00	25,534,873	-	25,534,873
Outstanding Payable	7.00	620,174	-	620,174
Birdem Rent	8.00	1,710,101		
Total :		34,803,394	-	34,803,394
Property & Assets :				
Non-Current Asset	9.00	1,313,732	-	-
Current Assets :		33,489,662	-	33,489,662
Accounts Receivable	10.00	275,514	-	275,514
Stock of medicine	11.00	19,619,194	-	19,619,194
Birdem Security	12.00	1,000,000	-	1,000,000
FDR-MBL	13.00	-	-	-
Cash in hand & at Bank	14.00	12,594,954	-	12,594,954
Investment	15.00	-	-	-

Loan A/c	16.00	-		
Total :		34,803,394	-	34,803,394

Table-6 Source: Prepared form the Accounts of Avirup Pharmacy

This balance sheet shows the fund account, accounts payable, outstanding payable, accrued rent, non-current asset, accounts receivable, stock of medicine, security amount, FDR-MBL, cash in hand & bank balance, investment and Loan accounts. Total asset is 3,48,03,394taka that are equal with liabilities and owners equity.

3.6.10.2 Income Statement:

Income Statement express the financial performance on an organization for a specific time period. It is also a financial statement for an organization. This statement evaluate a summary of its revenues and expenses through operation and non-operating activities. It also shows organization net profit or net loss that incurred in a specific accounting year. It provides information to the decision maker to take some steps for increasing revenue and minimize expenses also. Avirup pharmacy followed the accounting standard chart for making Income Statement. Here is an income statement sheet for the year ended June 30th, 2018.

Avirup PHARMACY

OF THE

UttaraAdhunik Medical College

INCOME STATEMENT

For the year ended June 30th -2018

Particulars	Notes	30.06.18 Taka	Difference
Revenue:			
Turnover	17.00	77,571,648	77,571,648
Less: Cost of goods sold	18.00	67,089,214	67,089,214
Gross Profit		10,482,434	10,482,434
Operating Expenses:		13,041,417	13,041,417
Administrative Expense	20.00	12,738,849	12,738,849
Selling & distribution Expense	21.00	302,568	302,568
Net Operating Loss		(2,558,983)	(2,558,983)
Add: Non-Operating Income	22.00	7,457,229	7,457,229
Net Profit		4,898,246	4,898,246

Table-7 Source: Prepared form the Accounts of Avirup Pharmacy

Here the company gross profit in may June 30th, 2018is 1,04,82,214taka. That are calculated by cost of goods sold deduct from turnover. Net profit is calculated by net operating expenses deduct from the gross profit. Here the company net profit is 48,98,246taka.

3.6.10.3Receipt and Payments Accounts:

Receipt and payment accounts calculate on the depend of all received and all payments. Adjusted all received with opening balance. Payment side stand of all expenditure minus hand cash and bank balance. The company receipts and payment balance is 8,68,62,582taka in June 30th, 2018.

Avirup PHARMACY				
OF THE				
UttaraAdhunik Medical College				
RECEIPTS AND PAYMENTS ACCOUNT				
For the period ended June-30 th -2018				
Particulars	Notes	30.06.18 Taka	Taka	Difference
Receipts:				
Opening Balance		-	-	-
Cash in hand		-	-	-
MBL Accounts		-	-	-
Sale of medicine		69,749,849	-	69,749,849
Sale of medicine Card)		7,546,285	-	7,546,285
Extra Income From Sales		14,494	-	14,494
Other Income		7,442,735	-	7,442,735
Petty cash receive		280,675	-	280,675

Received Form Birdem		-	-	-
Partner's capital		8,909,089	-	8,909,089
profit on FDR Encashment		-	-	-
FDR Encashment		-	-	-
Receive from keya drug{(Loan)		59,983	-	59,983
Investment - Partha		-	-	-
Petty cash -Refund		-	-	-
Sundry Income		-	-	-
Total:		94,003,110	-	94,003,110
Payments:				
Revenue Expenditure :		38,796,182	-	31,655,654
Advertisement		16,500	-	16,500
Abnormal Loss		20,171	-	20,171
Sign board		118,800	-	118,800
Ifter		-	-	-
Entertainment		102,823	-	102,823
Fake Money		7,500	-	7,500
Electric bill		19,282	-	19,282
Birdem security		1,000,000	-	1,000,000
Net Beg		128,120	-	128,120
Maintenance Cost		1,220,427	-	1,220,427
Office expense		300,124	-	
Medical Expenses		57,523	-	57,523
Photocopy,Printing& Papers		47,625	-	47,625
Loan a/c		59,983	-	59,983
Birdem Rent		6,840,404		

Purchase Cash		26,744,382	-	26,744,382
Conveyance		13,292	-	13,292
Petty cash purchase		280,675	-	280,675
Employee Salary		1,232,773	-	1,232,773
Service Charge		29,400	-	29,400
Sundry Expenses		341,107	-	341,107
Stationary		215,271	-	215,271
Leave Bonus		-	-	-
Bank charge & VAT		-	-	-
Others:		42,611,974	-	42,611,974
Sundry Creditors		34,429,153	-	34,429,153
Office Equipment		1,313,732	-	1,313,732
Capital Withdrawl		6,869,089	-	6,869,089
Invest (Partha)		-	-	-
Closing Balance:		12,594,954	-	12,594,954
Cash in hand		1,854,722	-	1,854,722
Cash at bank-MBL		7,828,732	-	7,828,732
Cash at bank-PBL		2,911,500	-	2,911,500
Total:		94,003,110	-	86,862,582

Table-8 Source: Prepared form the Accounts of Avirup Pharmacy

3.6.10.4 Notes of the account:

Notes of accounts means the discussion of some special account. That accounts are briefly discussion here. Because at any time authority wanted to know the account reason. Notes help to answering the authority question. Here accounts maintain the schedule of turnover, cost of goods sold, administrative expenses, selling and distribution expense, non-operation income etc. I shows the company notes for June 30th, 2018.

3.6.10.5 Turnover:

The amount of money taken by a business in a particular period. Avirup Pharmacy turnover for June 30th,2018 are showing below:

Turn over: Tk.77,571,648/-			
Break up of the above amount are as follows:			
Particular	31.05.16	Taka	Difference
Outdoor Sales	33,420,827	0	33,420,827
Indoor Sales	26,916,993	0	26,916,993
Birdem-2 Sales	9,412,029	0	9,412,029
Paying Patient Sales	7,546,285	0	7,546,285
Total Cash Sales	77,296,134	0	77,296,134
Birdem general hospital	144,000	0	144,000
Social Welfare	68,135	0	68,135
Birdem-2	111,999	0	111,999
Academy	0	0	0
Total Credit Sales:	324,134	0	324,134
Total Sales	77,620,268	0	77,620,268
15% Discount on Non Paying Bill	48,620	0	48,620
Less: Sales Return	0	0	0

Net Sales	77,571,648	0	77,571,648
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Table-9 Source: Prepared form the Accounts of Avirup Pharmacy

3.6.10.6 Cost of Goods Sold:

Cost of goods sold express the total amount of cost that are used to developed a product or services which has been sold to the customer. Cost of goods sold shows the actual costs of individual sector .such as prime cost, period cost, marginal cost etc. These costs divided into the general sub-categories of direct labor, materials, and overhead. Cost of goods sold of Avirup Pharmacy of June 30th, 2018are written below.

Cost of goods sold : Tk.19,619,194/-

Break up of the above amount are as follows :

Particulars	30.06.18 Taka	Taka	Difference
Direct Materials:			
Opening Inventory	-	0	0
Add :Purchase during the year:	86,708,408	0	86,708,408
Cash Purchase (Note-17.01)	26,744,382	0	26,744,382
Credit Purchase	59,964,026	0	59,964,026
Cost of materials available for sale	86,708,408	0	86,708,408
	19,619,194	0	19,619,194
Less: Closing Inventory	19,619,194	0	19,619,194
Less: Loss on date expired	0	0	0
Cost of goods sold during the year:	67,089,214	0	67,089,214

Table-10 Source: Prepared form the Accounts of Avirup Pharmacy

3.6.10.7 Administrative Expenses:

Administrative expenses are not directly include with manufacture, production or sales. But the expenses are incurred in the organization. Because these expenses are related with whole opposed to an individual department. For example director honorarium, abnormal loss, sundry expenses etc. Administrative expenses of Avirup Pharmacy of June 30th, 2018 are written below.

Administrative Expense: Tk. 1,27,38,849/-

The Break up of the above amount are as under :

Particulars	30.06.18 (Taka)	Taka	difference
Director Honorarium	-	-	-
Electric bill	19,282	-	19,282
Maintenance Cost	1,520,427	-	1,520,427
Office exp	300,124	-	-
Medical Exp.	57,523	-	57,523
Pharmacy Rent	8,550,505	-	8,550,505
Conveyance	13,292	-	13,292
Staff Salary	-	-	-
Employee Salary	1,552,947	-	1,552,947
Sign board	118,800	-	-
Service Charge	29,400	-	29,400
Sundry Expenses	341,107	-	341,107
Stationery	215,271	-	215,271
Abnormal Loss	20,171	-	20,171
Bank Charge & VAT	-	-	-
Depreciation	-	-	-
Total:	12,738,849	0	12,319,925

Table-11 Source: Prepared form the Accounts of Avirup Pharmacy

3.6.10.8 Selling & Distribution Expenses:

Selling expense means the costs that are incurred by the sales department. Distribution cost is also another costs that are incurred by the sales department while goods and services transfer to the clients. These costs typically include the following: Salesperson salaries and wages. Sales administrative staff salaries and wages. Selling and distribution expenses of Avirup Pharmacy of June 30th, 2018 are written below.

Selling and distribution expenses:

Tk.3,02,568

Break up of the above amount are as follows :

Particulars	30.06.18		
	Taka	Taka	Difference
Advertisement	1600	0	1600
Fake Notes	7,500	0	7,500
Photocopy,Printing& Papers	47,625	0	47,625
Packing	-	0	0
Entertainment	102,823	0	102,823
Net Bags	128,120	0	128,120
Total:	302,568	0	302,568

Table-12 Source: Prepared form the Accounts of Avirup Pharmacy

3.6.10.9 Bank Reconciliation :

A bank reconciliation is the statement where shows difference between bank balance that shown in the organization's bank statement with a statement supplied by the bank. It is the process that corresponding amount shown in the organization's own records at a particular time. Every month accountants complete this statements. One of the bank reconciliation is written next page.

Avirup Pharmacy

UttaraAdhunik Medical College

Bank Reconciliation Statement

Mercantile Bank Limited A/C NO.-3383

For the period of June-2018

Balance as per Bank Ledger as on 30.06.18				1191613
Add: Cheque issued but not debited by Bank or collected by bank but not yet posted into bank book				
Kemiko pharmaceuticals Ltd	5179210	15.04.18	13000	
Transcom Distribution (sk+f)	5179218	20.05.18	201540	
Healthcare Distribution ltd	5179232	22.05.18	26880	
General Pharmaceuticals ltd	5179244	25.05.18	54342	
Incepta Pharmaceuticals Ltd	5179245	25.06.18	250897	
Square pharmaceuticals Ltd	5179249	28.06.18	356728	
			903387	<u>903387</u>
				288226
Less: Collection posted into Bank book but not yet collected by bank/bank charge/LC charge not yet posted into bank				
Outward clearing (cheque no.-5060395)			25000	
Bank Charge (January to 30 th June,2018)			1084	26084

		<u>262142</u>
Balance as per bank statement as on 30.06.18		<u>262142</u>

Table-13 Source: Prepared form the Accounts of Avirup Pharmacy

Chapter Four

Summary and Conclusion

4.1 Findings of the Study:

The major findings of in this study are as follows:

- ❖ There is a department of accounts at Avirup Pharmacy having 6 staff members headed by chief Accounts officer.
- ❖ Both manual and computerized accounting and reporting practices are follows at the firm.
- ❖ The major functions of the accounts department are: recording the transactions, analyzing records and preparation of reports.
- ❖ Traditional Journal, Ledger, Trial Balance, Income Statement, Balance Sheet, Cash flow Statement etc. are conducted by this firm.
- ❖ No Accounting software is maintained for recording purpose.
- ❖ The firm has printed audited annual reports in every year.
- ❖ The accounts personnel are not well trained.
- ❖ The space for accounts department in branch officers is not sufficient.

4.2 Recommendations:

- ❖ The firm should conduct accounting practices through computerized system.
- ❖ The accounts personnel should be trained enough.
- ❖ The firm should arranged training program for its employee.
- ❖ The firm should maintain accounting software for recording purpose.
- ❖ We need an adequate amount of space for the calculation of keeper.

4.3 Conclusion:

Avirup Pharmacy, Birdeam General Hospital, Dhaka; is a leading edge medicine dispensary company. Avirup Pharmacy is also one of the largest medical collection dispensary in Dhaka. This was an added challenge to all the accounting staffs as they listing the duty of the organization has obtained a higher reach. The Accounts department took the challenge and give their spirit by the timely publication of yearly Annual Financial Reports. Each and every part in the department capable to be complemented. In this study, tried my level best to identify management accounting technique and procedures used by Avirup Pharmacy. What and how Avirup Pharmacy use accounting information for decision making and external financial reporting along with describing the procedure and systems of using accounting information. In this report, I imply my earned knowledge from accounting course and try to comply with the techniques procedure and systems followed by the company.

Reference:

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