

**AN EVALUATION OF STORE MANAGEMENT ACTIVITIES  
OF  
DAFFODIL INTERNATIONAL UNIVERSITY**

**Submitted to**

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**Submitted by**

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**Date of Submission: December 12, 2018**



**Daffodil**  
*International*  
**University**

## LETTER OF TRANSMITAL

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December 12, 2018

**Md. Arif Hasan**

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

**Subject: Submission of Internship Report on “An Evaluation of Store Management Activities of Daffodil International University (DIU)”.**

Dear Sir,

I am very pleased to submit you the following Internship report on “An Evaluation of Store Management Activities of DIU.” This report has been carried out as a requirement for my MBA program. I have gladly accepted this topic, because I believe that this experience will help me in my practical life to a great extent. I would like to convey my special thanks and gratitude to Mr. Md. Arif Hassan, Assistant Professor, DIU for his guidance.

This work will help me to increase my experience about the overall activities of Store Management Section.

Cordially Yours,

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## CERTIFICATE OF APPROVAL

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I am glad to certify that the Internship report on “An Evaluation of Store Management Activities of DIU” was conducted by ShifatAra Sultana bearing Id no. 172-14-2457, MBA program, Department of Business Administration, Faculty of Business & Entrepreneurship, Daffodil international University. She completed this report under my supervision in the Section of Store Management of DIU, one of the essential part of an administration. I am pleased to certify that the information presented in this report are seem to be authentic.

I wish her all success in life.

---

Supervisor

**Md. Arif Hassan**  
Assistant Professor  
Department of Business Administration  
Faculty of Business & Entrepreneurship  
Daffodil International University

## STUDENT'S DECLARATION

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I do hereby solemnly declare that the work presented in this Internship Report has been carried out by me and has not been previously submitted to any other university/ College/ organization for an academic qualification/ certificate/ diploma or degree.

The information I have presented does not breach any existing rules relating to copyright. Different sources have been used as supportive tools for preparing the report. I further undertake to indemnify the department against any loss or damage arising from breach of the foregoing obligations.

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## ACKNOWLEDGEMENT

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At the beginning, I would like to express my sincere gratitude to the Almighty, the most merciful and beneficial for empowering me to prepare this report within the schedule time.

I would like to express my gratitude and respect to my academic supervisor **Md. Arif Hassan, Assistant Professor, Department of Business Administration**, for his valuable suggestions and guidance preparing this report successfully.

I am very much grateful to the authority of *Daffodil International University* for assigning me as an intern in this reputed university and having the opportunity to learn theoretical as well as practical knowledge related to Store Management system and completes such an ambitious study for my dissertation program as well as for preparation of this report.

I am also indebted to my working supervisor **Md. Mustafa Kamal, Deputy Director, Store Management** and other employees of DIU whose efforts and cordial co-operation made the report possible.

Finally, I would like to express my profound gratitude to my family members who have given me the support to accomplish the MBA program and making this report in turn.

## EXECUTIVE SUMMARY

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This report is focused on the Store Management activities this Daffodil International University policies to develop their organization. The key factor of this university sustainable growth is Store Management. The report also includes the theoretical framework of various concepts of Store Management and also contains the activities in of Daffodil International University for the purpose of relating the theoretical concepts with the relevant areas of an established organization.

In first chapter, the introduction, objective, methodology and limitation of the report have been discussed. Next chapter includes the overview and history, important vision and mission, objective and operational activities of Daffodil International University. Chapter 3 is all about practices of Store Management of DIU. The significant part of the report is chapter 4. Here the overall process of Fixed Asset Management and the total store usages are described. Compare budgeted to actual cost is also mention in this chapter. Finally the last chapter finished with some findings some drawbacks of store management, and made possible recommendations to improve the current situation.

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# **Chapter-01**

## **Introduction**

## 1.1 Introduction

A Store Management System is extremely critical to ensure smooth running of an organization. Store management system executes store operations, utilizing a correspondence mechanical assembly in the store. Like other reputed institution, Daffodil International University (DIU) is also following a Store Management System for long time. DIU Store Management is continuously working on smooth supply of goods, protecting stocks, ensuring maximum use of goods by repairing work and giving maximum support in development work of DIU.

## 1.2 Origin of the Report

Each professional degree needs practical knowledge of the respective field of discipline to be fruitful. The report entitled “An Evaluation of Store Management Activities of DIU” originated from the requirement of partial fulfilment of the internship program. During the internship program, my supervisor was **Md. Arif Hassan, Assistant Professor** Department of Business Administration, Faculty of Business & Entrepreneurship, Daffodil International University and I followed his guidance.

## 1.3 Objectives of the Report

The Main Objective of the report is to evaluate the Activities of Store Management of Daffodil International University (DIU).

There are some **Specific Objectives:**

- To understand the Store Management Activities of DIU;
- To know the process of Fixed Asset Management;
- To identify the total purchases of DIU Store;
- To find out some problem related to store management.
- To find out the areas for improvement in the existing process.

## 1.4 Methodology of the Study

This study was conducted on the basis of experience and gathered during the period of internship at DIU Dhanmondi Branch, Dhaka.

**Data source:** About information collection, two sources is used:

1. Primary source
2. Secondary source

### **Primary sources:**

- Practical work experiences in Daffodil International University (DIU).
- Face to face conversation with the Officer and employees.
- Files and Documents of DIU relating to Store Management activities.
- Direct observation of DIU Store and other department.

### **Secondary sources:**

- From the website of Daffodil International University.
- Studied different files & reports and try to get some idea about working procedure.

## 1.5 Limitations:

In preparing this report some problems and limitations have been encountered which are as follows:

- Time frame for the research is limited. So large scale investigation was not possible due to time constraints.
- Relevant data and information's collection were difficult due to the organization confidentiality.
- Insufficiency of current information, relevant to the study.

# **Chapter -2**

## **Profile of the Organization**

## 2.1 About DIU

Daffodil International University (DIU) is recognized in independent government assessments as one of top graded universities in Bangladesh. The university has been founded by Daffodil Group with the approval of the Ministry of Education under the Private University Act of 1992 and its amendment in 1998 and Daffodil International University came into being on 24th January 2002, the University today combines impressive modern facilities and a dynamic approach to teaching and research with its proud heritage of service and achievement.

Daffodil International University is committed to ensure excellence in teaching at both the undergraduate and the master's level. This commitment has been reflected in the diversity of courses offered and in the variety of instructional approaches that are offered.

This is a noticeable encouragement for the university observing the rapid growth of the university. The university has been started with 67 students registering in the first batch and more than 20,000 students have been enrolled till date. DIU is committed to provide standard education with all sorts of facilities to the students. Since the inception, the university is maintaining the commitment and it creates inspiration to the students and this is the key of the continuous increasing of the number of students.

## 2.2 DIU Campuses

**Main Campus:**102, Shukrabad, Dhanmondi, Dhaka-1207 4/2,  
Shobhanbag, Daffodil Tower-05, Dhanmondi, Dhaka-1207

**Uttara Campus:**House: 04, Road: 07, Daffodil Tower-06, Uttara Model Town, Sector: 03,  
Uttara, Dhaka-1230

**Permanent Campus:**Daffodil International University, Chou Baria, Datta Para, Ashulia  
Model Town, Savar, Dhaka.

## 2.3 Goals of DIU

- Establishing a Joint Venture University in Bangladesh with USA, Australia & UK.
- Developing the degrees of the university up to (GSE) level through getting accreditation of internationally recognized accreditation bodies like ACBSP, AACSB.
- Providing quality education for the development of human resource with the competency of the contemporary market.
- Conducting and supporting research for advancement of socio-economic development of the country through the use of technology oriented knowledge.
- Contribution in the moral and ethical development of the common people.
- Creating congenial academic environment for the youth which will be free from political and other disturbances for their intellectual advancement.
- Disseminating knowledge under the coverage of ethical, human and rational approach reflecting national heritage, values and principles of Bangladesh with a view to producing graduates.
- Creating opportunities to have education for all groups of people through the campus, online and distance learning education.
- Developing students meet the demand for efficient marketing executives and IT personnel in Bangladesh.

## **2.4 Mission of DIU**

The mission is to excel in providing higher education in Bangladesh to the context of the twenty-first century and to become a top ranked university in the region of South Asian. Establish a centre of excellence to attract students from all countries of the region.

## **2.5 Vision of DIU**

Daffodil International University established with the commitment of services to all as the country becomes a part of a global society with the challenges and opportunities and it assure the quality of its programs though the supervision of its resources in the areas of institutional strengths. At DIU one constant will remain unchanged that intangible quality of Daffodil men and women call the 'Daffodil Spirit'. That's why students called it, "A Distinguished Land Mark in Higher Education".

## **2.6 Faculties and Departments**

Bachelors, masters and doctoral degrees offered by DIU through its 23 departments; these departments are divided under Five Faculties:

### **Faculty of Science & Information Technology**

1. Computer Science and Engineering Department
2. Environmental Science and Disaster Management Department
3. Software Engineering Department

4. Multimedia and Creative Technology Department
5. Natural Sciences Department

#### **Faculty of Business & Entrepreneurship**

1. Business Administration Department
2. Department of Commerce
3. Real Estate Department
4. Tourism & Hospitality Management Department
5. Entrepreneurship Development Department

#### **Faculty of Engineering**

1. Electronics and Telecommunication Engineering Department
2. Textile Engineering Department
3. Electrical and Electronic Engineering Department
4. Architecture Department
5. Civil Engineering Department

#### **Faculty of Applied Health Science**

1. Pharmacy Department
2. Nutrition and Food Engineering Department
3. Public Health Department
4. Life Science Department
5. Genetic and Biotechnology Department

#### **Faculty of Humanities & Social Science**

1. English Department
2. Law Department
3. Journalism & Mass Communication Department
4. Development Studies Department (Master's Program)

## **2.7 Teaching Method and Medium**

Modern teaching methods including call lectures, interactive discussion, simulation, lab work, case analysis, add field study are followed by the University. A special feature of DIU is the Tutorial/workshop/lab sessions designed to assist students in learning application of concepts and theories. The medium of instruction in Daffodil International University is English.

## **2.8 Virtual University**

Among all the private universities Daffodil International University is going to develop the fastest and most user friendly virtual university with the aim to serve students the most prompt academic and administrative activities. A test version of virtual university is running over internally by 'bridgeworks'.

## **2.9 Extra-Curricular Activities**

DIU is the collection of various clubs with various social & development activities. More than 32 clubs are working for the educational & cultural development. Most of them are:

1. English Club
2. Cultural Club
3. Sports Club
4. DIU Photographic Society
5. DIU Social Business Students' Forum (SBSF)

6. DIU Prothom- aloBondhuShova
7. Nature Study Club (NSC) of DIU
8. Health Club (HC) of DIU
9. Daffodil Communication Club
10. DIU Pharmacia Club
11. DIU Creative Park (Dept. of MTCA)
12. DIU MUNA (Model United Nations Association)
13. Career Club
14. Entrepreneurship Club
15. School of Entrepreneurs
16. Business & Education Club
17. Real Estate Association
18. DIU Software Engineering Club (SEC)
19. DIU Volunteer Service Club
20. Air Rover Wing
21. Robotics Club
22. All Stars Daffodil
23. Adventure Club
24. DIU Film Society
25. Business Round Up & Motivational Cell (BRMC)
26. Change Together

## **2.10 Career Development Centre**

It's a grooming centre from DIU. Students join to change their life and for living positively. It works for the career development of DIU graduates in nationally and international.

### **Activities:**

1. Career Counselling with the existing students & graduates.
2. Strong Industry Linkage
3. Arranging training programs, workshops, seminar, symposium and fair for the professional development of the existing students and graduates.
4. Taking necessary steps regarding student's participation in different national and international competition and programs and events.
5. Communicating with Industries and send student's CV regarding recruitment as internship.
6. Sending request letter too many institutions and organizations regarding job placement and internship placement.
7. Monitoring the entire students and their activities.
8. Preparing necessary plan and projects regarding professional relationship between industry and University.

# **Chapter- 03**

## **Store Management Practices of DIU**

### **3.1 DIU Store Management**

Storage is an essential and most vital part of the economic cycle and store management is a specialized function, which can contribute significantly to the overall efficiency and effectiveness of the organization. The principal aim of DIU Store Management is to achieve desired objectives, in an efficient and economical manner. For that, DIU Store is working continuously to ensure adequate supply which would make for the most effective use of both physical assets of the university as well as the human resources.

### **3.2 Mission and Vision of DIU Store Management**

DIU Store Management System is working on a mission and vision to-

- Provide essential quality material/goods to run the institution smoothly
- To minimize the cost of purchase and procurements
- To ensure maximum use of goods by repairing and refilling work and thus, minimizing of expenditure in buying new goods
- To give support in development work of the institution by purchase and procurement of goods.
- To protect the active/operational goods at stock and deliver them on requisition
- To prevent theft of assets by formulating upgraded Store Management System
- To prevent misuse of goods by frequently checking physically

### **3.3 Service and Facilities**

DIU Store Management System is currently providing following services and facilities-

- Provides essential 420 types of inventory items and 117 types of furniture & fixture items to run the institution smoothly
- Gives support in development work of the institution by purchase and procurement of goods, such as- Lab equipment purchasing

- Protects the active/operational goods at stock and deliver them on approved requisition
- Prevents theft of assets by keeping calculation of assets and earmarking the assets.
- Prevents misuse of goods by frequently checking physically

### **3.4 Departmental Rules & Policies:**

DIU Store Management System is currently following the rules and policies as given below-

#### **Purchase and Procurement policies:**

- Procurement Committee will collect necessary quotations in associations with the concerned officials. In case of amount less than or equal to Tk. 5 Lac, procurement committee will directly purchase the goods along with concerned officials. In case of amount above Tk. 5 Lac, Procurement Committee will place it to the Purchase Committee for approval. Purchase Committee shall have the authority to purchase goods worth above Tk. 5 Lac & up to Tk. 15 Lac. Purchase for more than Tk. 15 Lac will require the approval from the BOT, DIU.
- The Committee suggested that up to Tk. 30 Lac of materials/works may be purchased / done through the enlisted parties. For above that amount, Invitation of Bids through the daily Newspaper advertisement or display in the DIU website or issue of notices on the Notices Board of relevant officers/department may be considered.
- To sell of scraps, a committee may be formed which will consist of three officers; one from the Accounts Sections Asst. Director (F&A), One from the Sr. Asst. Director (Store & Procurement), one from the Respective department/section head/building In-charge. Before selling of scrap of Tk. 10,000/- up to Tk. 1 Lac, the Committee must take the approval from the Registrar and for selling of the scrap of above Tk. 1 Lac, the committee may take the approval from the purchase committee.

- Sector wise suppliers/companies/vendors list must be maintained for procurement and purchase. The Committee has decided how to update enlistment procedure in the DIU website. Software department should keep provision on DIU's website for any tender invitation. All companies/vendors/suppliers are always searching DIU's website for bidding. On the other hand, we have to send our tender notices to the enlisted companies/vendors/suppliers by their mail addresses.
- The Procurement and Purchase Committee will sit once in a fortnight on regular basis from October, 2016 to follow the Procurement and Purchase procedure. For any emergency purpose, an emergency meeting may be called at any time.
- After final approval, concerned officials will arrange for purchasing of necessary products where procurement committee will ensure the quality & quantity of purchased products. Stock entry must be ensured after each purchase.
- After proper stock entry Procurement officials/concerned officials will ensure proper setup or utilization/ preservation of purchased products.
- Procurement officer/Concerned officials will submit the bill through a forwarding letter along with a copy of final approval to the proper authority.
- Deputy Director takes responsibility to purchase all other office materials, furniture, fixture, lab equipment and any other specially imposed purchase requirement from higher Authority except general inventory items such as stationary, sanitary items etc.
- Sr. Assistant Director takes responsibility to purchase all inventory items such as stationary, cleaning, printing, sanitary items etc.
- Administrative Officer is assigned to procure the general inventory items and furniture & fixture in direction of Sr. Assistant Director and Deputy Director.
- General Inventory goods are received by Attendant, Central Store, DIU
- Received items get entry online by Sr. Administrative Officer and Sr. Assistant Director, Store Management, DIU.
- Received Items get entry in Bin card by Admin Officer, Store Management, DIU
- Online entries goods are delivered against approved online requisition paper by Sr. Asst. Director, Store Management, DIU issues the approved requisition or Sr. Officer, Store Management; DIU issues the requisition in absence of Sr. Asst. Director (Store).

- Permanent Campus and Uttara Campus collects its necessary goods through online requisition.
- Unusable or damaged assets are required to return to store. Reusable items are repaired and delivered to reuse. Unusable items i.e. scraps are sold by scrap selling committee.
- Fixed assets are calculated, earmarked and being maintained by Asst. Officer, Store Management, DIU under supervision of Deputy Director, Store Management, DIU
- Transaction of any assets are being maintained through Gate Pass or Client Copy of Online requisition
- Billing procedure is maintained by Sr. Officer, Store Management, DIU
- Official advance payment is issued and maintained by Sr. Administrative Officer, Store Management, DIU

### **3.5 Departmental Process:**

#### **1. Purchase process:**

- a) General Inventory Items: A short list is made by Senior Officer, approved by Sr. Assistant Director and purchased by Sr. Administrative Officer. Payment is usually in cash.
- b) Fixed assets and lab equipment: Quotations are collected by Sr. Administrative Officer, Senior Officer and Deputy Director or via email, evaluated by the experienced officials, and goods with best quality in reasonable price are bought. Payment is after receiving goods in good condition through a bill processing system.
- c) Costly equipment's: Costly equipment's are being purchased through tender notice on newspaper and online.
- d) Bills below 50,000/- are approved by Sr. Assistant Director
- e) Bills below 1,00,000/- are approved by Deputy Director
- f) Bills below 5,00,000/- are approved by Procurement Committee
- g) Bills below 15,00,000/- are approved by Purchase Committee

h) Bills upper than 15,00,000/- are approved by Honorable Chairman, BoT, DIU

2. **Regular Activities:**

- a) Receiving requisition
- b) Evaluation of requisition
- c) Quotation collection
- d) Contact with vendors
- e) Prepare Comparative statement
- f) Collect recommendation for Lab equipment of technical committee
- g) Work order preparation and issue
- h) Receiving goods
- i) Online receive entry
- j) Online requisition issue
- k) Entry and issue in Bin Card
- l) Checking general store inventory with actual figure, software figure and bin card figure
- m) Fixed asset calculation and earmarking
- n) Issue gate Pass
- o) Repairing and refilling work
- p) Scrap piling and selling
- q) Protecting stocks
- r) Preventing misuse and theft
- s) Reporting to higher authority
- t) Bill forwarding, etc.

3. **Development Activities:**

- a) Developing fixed asset software
- b) Developing asset transferring system ( Gate Pass, Asset Reuse Form, Asset Return Form)
- c) Developing purchase system ( online and vendor enlistment )
- d) Developing Office atmosphere
- e) Special emphasis on lab development of DIU
- f) Fixed assets are calculated and earmarking is ongoing.

#### 4. **Promotional Activities:**

Special co-operation with Planning & Development Department of DIU in various development activities.

#### 5. **Reporting Format/ Process:**

- a) General Inventory Report : Half Yearly
- b) Fixed Asset Report : 3 times a year
- c) Progress Report : Half Yearly
- d) Physical verification Report : Yearly
- e) Other Report : On required topic and time.

#### 6. **Central and Departmental Committees**

There are three committees in the DIU store. These are as follows:

- a. Purchase Committee: One convener, one member secretary and five member supervise this committee about the total purchase matter of the store.
- b. Procurement Committee: Here have also one Co-convener, one member secretary and five member which are direct the procurement of store.
- c. Scarp Selling Committee: Total three member supervise the total scarp selling in this committee of the store.

#### 7. **Departmental Project :**

- a. Vendor enlistment registration up-dated,
- b. Website based purchase & procurement system,
- c. Fixed Asset Management
- d. Bin Card introducing etc.

### **3.6 Duties and Responsibilities of Store Personnel**

All concern personnel's has some major duties and responsibilities which is mention bellow –

#### **In the field of total Stores Function:**

1. Monitor and co-ordinate deliveries of items between suppliers to ensure that all items are delivered to site/store on time
2. Monitor and co-ordinate deliveries of items between suppliers
3. Ensure Bin card introducing.
4. Schedule store visits and conduct competitor survey.
5. Approve Subordinate leave and salary.
6. Execution and monitoring of all regular purchasing duties.
7. Maintain the guideline of immediate supervisor and provide support
8. Arrange for inspection and complete the inspection.
9. Handling and monitoring of claims to organization and vendors for defectives, shortage, missing parts.
10. Ensure competent quality execution of all regular purchasing duties and administrative works.
11. Coordinate with suppliers to ensure on-time delivery.
12. Responsible for the preparation and process purchase orders and documents in accordance with DIU policies and procedures.
13. Source, select and negotiate for the best purchase package in terms of quality, price, terms, deliveries and services with suppliers.
14. Negotiate for best purchasing package (in terms of quality, price, term, delivery and service) with suppliers and sub-contractors assigned.
15. Plan and manage inventory levels of materials or products and
16. Ensure complete updated purchasing records/data and pricing in the system.
17. Source for new parts, suppliers or sub-contractors when the need arises.
18. Ensure fixed assets management.
19. Supervise unloading of material Count.
20. Check for damage/shortage and prepare report
21. Supervise Goods Inward / Day Book/ Daily Collection Register

22. Prepare Goods Rejection Memo (in case of goods rejected).
23. Send other documents to respective departments
24. Ensure all storage facilities are in proper working order e.g. check for loose racks, damaged pallets etc.
25. Ensure Goods housekeeping (i.e. check for spillage of oils, dirty walls, obstructions).
26. Ensure all materials handling equipment are in good condition.
27. Check and count goods before issue.
28. Ensure Receipts and Issues are correctly documented.

**In the field of Purchase and Procurement:**

1. Source, select and negotiate for the best purchase package in terms of quality, price, terms, deliveries and services with suppliers.
2. Coordinate with user departments and suppliers in the purchasing scope of work for projects assigned.
3. Support relevant departments with quotations for the purpose of tenders.
4. Responsible for the preparation and process purchase orders and documents in accordance with DIU policies and procedures.
5. Source, select and negotiate for the best purchase package in terms of quality, price, terms, deliveries and services with suppliers.
6. Purchase and issue order in accordance to specification.
7. Ensure all materials handling equipment are in good condition.
8. Provides guidance and assistance to faculty and staff in all aspects of purchasing.
9. Determine quantity and timing of deliveries
10. Assist entries of Bin cards introducing.
11. Processing payments and invoices.
12. Maintain correct accounting of stores.
13. Maintain complete updated purchasing records/data and pricing in the system.
14. Complete Vendors Consignment Note (Challan).
15. Support relevant departments with quotations for the purpose of tenders.
16. Management of Surplus, Wastage or Used Consumable Items.
17. Received wastage or consumable Materials should be divided for repair or sale.
18. Implement change and develop new process to better procure goods and services.
19. Ensure the timely delivery of quality products at the lowest possible cost.
20. Searching vendor and suppliers.
21. Maintain the guideline of immediate supervisor and provide support.

**In the field of Fixed Asset Management:**

1. Create and monitor a system of controls, procedures, and forms for the recordation of fixed assets.
2. Recommend to management any updates to accounting policies related to fixed assets.
3. Assign tag numbers to fixed assets.
4. Record fixed asset acquisitions and dispositions in the accounting system.

5. Calculate depreciation for all fixed assets.
6. Review and update the detailed schedule of fixed assets and [accumulated depreciation](#).
7. Investigate the potential [obsolescence](#) of fixed assets.
8. Conduct periodic [impairment](#) reviews for [intangible](#) assets.
9. Conduct periodic physical inventory counts of fixed assets.
10. Recommend to management whether fixed assets should be disposed of.

### 3.7 Inter-relationship between Stores and Other Department

Though DIU Store serve all departments of the university, the highest degrees of relations are between Purchase who feeds the Stores and Production whom the stores feed in turn.

1. **Stores and Purchase:** These two functions of store management are complimentary to each other. Apart from the close relationship that exists on a day-to-day basis in the purchase of various items of stores there are other important activities, which can best be done by close cooperation between Stores and Purchase. These are identification (i.e. coding of stores) and stores vocabulary (thecode itself), standardization and variety reduction, inventory control, value analysis, salvaging operations, etc. Other aspects of co-operation include:
  - Stores send indents to purchase based on inventory levels determined in accordance with usage and delivery lead times.
  - Correct specification writing, code numbers, mention unit etc. are all vital in this regard.
  - Purchase informs Stores of orders placed and Stores in turn informs Purchase of receipts, rejections, shortages, breakages, theft and loss.
  - Stores inform Purchase of changing production trends, slow or non-moving stock obsolete or surplus stock, scrap etc.

2. **Stores and Production:** The production department is usually the chief customer of DIU Store. At production meetings, if stores is represented, coordination can be excellent. Any change in a production schedule needs to communicate with store to enable prompt corrective action.
  
3. **Stores and Vendors:** DIU Store is the chief customer of the finished goods of Sales. The Vendors ensure quality & stock of goods at all times and this is a costly philosophy in terms of inventory holdings. This Close co-operation and an integrated approach helps management objectives to increase profitability.
  
4. **Stores and Accounts:** This is considered as the most powerful department of DIU. It keeps tracks of each and every transaction of stores made within the university. It is headed by Director of Accounts and Deputy Director of Store jointly whose ensures that all the transactions are made according to rules and regulation. Accounts Department also prepares the financial statements for the university and decided upon university overall assets, liabilities and budgets. The accounts department responsible for:
  - Attends to financial planning and control of store
  - Supervising budget and budgetary control of store
  - Provide financial information to the management about the store
  - Ensuring internal financial control of store
  - Attends to control overall cash and bank management of store
  - Developing systems and method for the credit control of store
  - Approving vouchers of store
  - Supervising and recording the all scarp selling items and remove from the previous entry
  - Ensuring minimisecost of store
  
5. **Stores and Personnel:** Selected the right person for stores work and an adequate training in storage, preservation and accounting techniques is vital.

# **Chapter-4**

## **Analysis**

## 4.1 Fixed Asset Management:

Daffodil International University (DIU) is a rapid growing University of Bangladesh & it is increasing its facilities and assets day by day. From the recent Physical Verification of fixed Assets of DIU, found that the various types of Fixed Assets are being used in DIU. Store Management department of DIU is cordially working on its Fixed Asset Management.

## 4.2 Definition of Fixed Assets:

The Store of Daffodil International University defined following objects/goods used as “Fixed Asset” on basis of conditions given below-

1. Furniture and Fixture Items : Minimum Longevity - 5 Years
2. Electric & Electronics Items : Minimum Longevity - 3 Years
3. IT & Office Equipment : Minimum Longevity – 3 Years
4. Lab Equipment: Minimum Longevity – 3 Years
5. Machineries: Minimum Longevity – 10 Years
6. Vehicles : Minimum Longevity -10 Years
7. Building : Minimum Longevity 80 Years

## 4.3 Category of Fixed Assets

A wide range of verifications in fixed assets of DIU of all campuses as follows-

Sl.	Category	Types	Remarks
1	Furniture & Fixture items	119 types	
2	IT & Office Equipment	59 types	
3	Electric & Electronics items	35 types	
4	Machinery Items	30 types	
5	Gymnasium items	24 types	
6	Lab Equipment items	125 types	
7	Vehicles	6 types	

8	Land and Building	4 types	*Only Land, Only Building, Land with Building, Rented Floor/Building.
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#### 4.4 Budget for the Fixed Assets

From the founding data it is made up as follows for the year ended June:

Sl. No.	Development / Capital Expenditure	Budget 2016-17	Actual Cost 2016	Budget 2017-18	Actual Cost 2017
1	Furniture and Fixtures	11550000	52969620	14050000	73539384
2	Office Equipment	11152500	-	25990000	-
3	Air Conditioner	11500000	47037504	20500000	58479456
4	Lab Equipment / Setup / Installation	17900000	39700682	37020000	73072446
5	Net Working Systems	1150000		1450000	
6	Library Development & Setup	3925000	7577045	5000000	8498721
7	Motor Vehicles Purchase	14000000	59541560	62500000	97510056
8	Software Purchase & Development	2500000	14850290	3000000	17972438
9	Lease Rental with Interest	210376869	-	257432916	-
10	Building & Land Purchase and Construction (Proposed)	740000000	476097766	610200000	762573566
11	Electrical Equipment	-	103561936	-	130568112
12	Campus Decoration	-	27556631	-	27556631
<b>Total</b>		<b>1024054369</b>	<b>828893034</b>	<b>1037142916</b>	<b>1249770810</b>

From the above table it is seen that actual cost is decreased by 19,51,61335 taka from the budget in the year of 2016. But it is increased in the year of 2017 and the amount is 21,26,27894 taka. The total difference of actual cost is 42,08,77776 taka.

#### 4.5 Depreciation on Fixed Assets

The DIU Accounts have been prepared on going concern basis in accordance with generally accepted accounting principles under historical cost convention. Depreciation on fixed assets have been charged on reducing balance method at rates ranging 5% to 20% per annum depending on the estimated life of assets. Full year depreciation has been charged on the addition to fixed assets irrespective of the date of acquisition ignoring BAS 16. After auditing in June 2015-2016, the total accumulated depreciation was 36, 74, 89582 Taka and 46, 19, 69853 Taka in July 2016-2017.

## **4.6 Summary of the Final Report of Fixed Assets**

On basis of rechecked data, they have prepared a final list of fixed assets of DIU. Here noticed some flaws in previous report that-

- Some items are not fixed assets but got included in previous report
- Some items got double entry
- Some items are same but got various name
- Some items were not specialized and
- Some items remained out of counting.

## **4.7 Ongoing improvement**

Tracking Code system/Earmarking of fixed assets of DIU has been introduced on 10/05/2016.

## **4.8 Co-ordination of Fixed Assets:**

The Controller/Fixed Asset Manager of DIU Store are responsible for the development, coordination and implementation of fixed asset management and inventory processes and procedures, and for supporting departmental units in the discharge of their property management responsibilities. They ensure the tagging and capitalization of all qualifying assets, coordinating inventory and quality assurance activities, maintaining current fixed asset records and reports (including acquisition, disposal, and transfer activity), posting capitalization and depreciation entries in the system of record, reconciling asset records on a quarterly and annual basis and guide on fixed asset policies and procedures.

Each department/unit of DIU is also responsible for safeguarding, maintaining, and monitoring property assigned to, used by, or under its control. At its discretion, a department assign one or more fixed asset coordinators to work with the Fixed Asset Manager on acquisition, disposal, and inventory-related activities. If a department receives or acquires a fixed asset by means other than a capital outlay expenditure, the department/unit will notify the Fixed Asset Manager within 15 business days of receipt.

The Store of Daffodil International University use a software and have a monitoring team for the fixed asset management which is really important to keep the calculation of assets accurate and update easily.

#### 4.9 Purchase made by DIU Store

During the report preparing, the total purchase cost of DIU Store items from June 2016 to July 2018 is as follows (Amount in BDT):

Sl	Items	2016-17	2017-18	Total	Difference		% of Usage
					Amount	%	
1	Furniture & Fixture	9346775	10087593	19434368	740818	8%	16%
2	Lab Equipments	8531967	4530976	13062943	-4000991	-47%	11%
3	Gymnasium	2317687	0	2317687	-2317687	-100%	2%
4	Electric (Machinery)	7443300	10508333	17951633	3065033	41%	15%
5	Stationery	57650	2077361	2135011	2019711	3503%	2%
6	Chemical	3436500	16341821	19778321	12905321	376%	16%
7	Sanitary	663277	310785	974062	-352492	-53%	1%
8	Cleaning	1389378	376522	1765900	-1012856	-73%	1%
9	Printing	3255785	5919565	9175350	2663780	82%	7%
10	Electric (General)	2805997	4197025	7003022	1391028	50%	6%
11	Construction work	15689500	10080900	25770400	-5608600	-36%	21%
12	Miscellaneous	1304000	3116400	4420400	1812400	139%	4%
<b>Grand Total</b>		<b>56241816</b>	<b>67547281</b>	<b>123789097</b>	<b>11305465</b>		<b>100</b>

From the above analysis showing that some items increased in 2017-18 from 2016-17 such as: Furniture 8%, Machinery Electric 41%, Printing 82% and General Electronic items 50%. On the other hand, some items decreased or did not purchase in 2017-18 from 2016-17 like: Lab Equipment and construction work decreased 47% and 36%. It is not found some of data from 2016 like Stationery, Sanitary, Cleaning and Miscellaneous items.

# Chapter-5

# **Findings, Recommendation And Conclusion**

## **5.1 Findings**

1. Various Types of Furniture and Fixture are being used in DIU. There is no specific rule of right using specific furniture and fixture for user.
2. Damaged or unused furniture and fixture are not being returned to Store in time.
3. There have no purchase record of goods before July, 2016.
4. Depreciation calculation is not systematic and some assets are used after the longevity.

5. In 2016-17 total actual cost is much lower than budgeted cost while in 2017-18 actual cost is way higher from the budget.
6. From the cost comparing of last two years, it is seen that Lab Equipment and Construction work is decreased recent year and their store usage is 11% and 21% respectively.
7. Gymnasium item is not purchased in recent year.
8. Lab Chemical is purchase more in recent year from the previous year which is 16% of store usage. Furniture, Machinery Electric, Printing and General Electric items is also increased recent year which is the 16%, 15%, 7% and 6% of total store usage.
9. There have a very less space for the official function of store and there are total eight members which are very poor quantity to run the department.
10. There have a lack of efficient employees and staff for the stores function.

## 5.2 Recommendation

1. There should be specific rules for the right of user of furniture and fixture, which will describe who can use what kind of assets according to their designation.
2. Direct purchasing by the department should be stopped and they should follow the process of store as their requirement.

3. It is essential to keep the purchase record of all goods for future use and it should be followed strictly.
4. Some goods or construction work are decreased because of these goods or work is purchased or done more in the previous year from the recent year.
5. There should be keep systematic depreciation calculation, record keeping for accounting purpose and need to their necessary adjustment or replaced after the useful life of all fixed assets.
6. Budget should be made based on practical scenario and past performance then the gap between budgeted and actual cost will be reduced.
7. There should be handle insurance coverage on asset, initiate claim, documentation, assist to surveyor, claim settlement etc.
8. The Store should increase its office space and manpower so that it can continue its regular workings more smoothly.
9. There should be arranged adequate training for the employees.
10. There should be a team meeting held in every month. All the members of the department should be present. All the issues should be raised and review the status of last month.

### **5.3 Conclusion**

Store Management is an important strategic tool which adds value to the organization and is a necessary part of organization's function. The goal of this report is to find out the Store Management activities of Daffodil International University. To know the details of the university visit the all campus of Daffodil International University and

other information were collected and gathered with the help of the internet. Daffodil International University is the organization where actually the Store Management activities are applied with a huge effort and the outcome is also very satisfying. Thus Store Management system of DIU is to give a new dimension in its services and effectiveness.

## **References:**

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4. Manuals and official documents of DIU store.